

DAILY REPORT

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GOVERNMENT UNVEILS NEW MARKET-OPENING PACKAGE

OW091151 Tokyo KYODO in English 1136 GMT 9 Apr 85

[KYODO headline: "Gist of New Market-Opening Package" -- numeration as received]

[Text] Tokyo, April 9 KYODO -- Following is the gist of the new market-opening package announced by the Japanese Government Tuesday:

-- In view of the recent developments surrounding us and the position we occupy in the world economy, it is our important responsibility to seek an achievement of economic growth led by domestic demand and to make vigorous efforts for the maintenance and strengthening of the free trading system, the promotion of harmonious external economic relations and the vitalization of the world economy. Under such circumstances, the government will carry out following measures forcefully.

I. Response to the report of the advisory committee for external economic issues:

1. In managing its policies toward the future, the medium-term policy recommendations put forward by the committee will be taken into full consideration by the government.

2. The action program for improving market access which was included in these recommendations will be prepared and implemented on the following basic guidelines.

(1) The government will prepare an action program as proposed in the report of the committee and follow up its implementation.

(2) The action program will, in principle, be implemented for a period up to three years. It will be drawn up as soon as possible, and its outline will be decided by July this year.

(3) In preparing the action program and following up its implementation, opinions of informed people at home and abroad will be heard as part of an effort to ensure transparency.

1. improvement of market access and encouragement of import

(1) reduction of tariff rates, etc.

1) Japan already enforced measures such as reduction of tariff rates on certain items, advanced implementation of tariff rates in the Tokyo round agreements, and improvements in the generalized system of preferences, on April 1. Furthermore, in accordance with an agreement between Japan and the United States, mutual elimination of tariffs on semi-conductors has been implemented since March 1.

2) The government will take fiscal and monetary measures to stimulate domestic demand for lumber and improve the basic structure of the nations forestry industry for five years. The government will also positively consider reduction of tariffs on plywood, etc., including those made of softwood and hardwood, with a view to starting implementation approximately from the third year.

3) Decision on reduction of tariff rates on other items will be made within the first half of this year.

(2) In order to contribute to the improvement of standards and certification systems, the government will continue its review on and endeavor for the improvement of the actual state of implementation of the measures of March 26, 1983, taken by the liaison and coordination headquarters on standards and certification systems, etc.

2) When pharmaceuticals and medical equipment are submitted for the examination for approval under the pharmaceutical affairs law, foreign clinical test data shall be accepted for medical equipment and extracorporeal diagnostic agents which are immune to ethnic-based physiological differences. Also, in order to ensure transparency of the process of the examination for approval, firms applying for approval, including foreign firms, shall be given opportunities to hear instruction directly from and explain their products to the Central Pharmaceutical Affairs Council, a government advisory panel.

3) Standards and certification systems and import testing procedures for individual issues will be further improved, and passage of high-cube containers will be permitted under certain conditions. The government will also take measures on nine other items in this field, including drafting of standards for mineral water.

(3) Encouragement of manufactured imports

1) Request to enterprises concerned for their efforts to import manufactured goods, etc. The business community is requested to cooperate with the government in the efforts to increase imports including manufactured goods, with a full recognition that export alone can neither expand trade nor form a harmonious external economic relations.

2) Holding and supporting of import fairs and other events
Large scale import fairs will be held in various parts of the nation through such means as active use of JETRO (Japan External Trade Organization), and necessary support will be provided to trade fair activities sponsored by foreign governments.

3) Expansion of the specified products trade expansion program
The specified products trade expansion program which was established in fiscal 1984 has already made research on sales promotion strategy in Japan with regard to wine and furniture. Support and other efforts will be made for dissemination of the program, and an additional number of countries and items will be considered.

4) Expansion of import financing on manufactured goods
In order to encourage further import of manufactured goods, the Export-Import Bank of Japan will reduce the interest rate for the import financing on manufactured goods.

5) Implementation of campaign to encourage import
An intensive campaign through advertisements on newspaper, magazines, posters and on the streets and in TV programs will be carried out to strongly appeal to the Japanese people and firms to encourage their efforts to expand import of foreign manufactured goods.

2. Improvement of market access in the high technology sector

(1) Telecommunications

On April 1, 1985, the telecommunications business law, Nippon Telegraph and Telephone Corporation law and other related legislation entered into force, and the Japanese telecommunications market which had been under monopoly control for more than a century, has come under a new system on the same day with the full-fledged introduction of the competitive principle. In view of the objectives of the institutional changes, which is to inject vitality into the telecommunications business by mobilizing the creative originality and ingenuity of the private entrepreneurs, the new system shall be implemented under the principles of non-discrimination, simplicity, transparency and market opening.

1) Procurement by Nippon Telegraph and Telephone Corp. (NTT)

While the Nippon Telegraph and Telephone Public Corporation has been privatized, the GATT government code will remain applicable to NTT procurement through December 31, 1986, the original date of termination. Also, measures will be taken to increase opportunities for foreign enterprises to sell their products to NTT.

2) Type two telecommunications business

Type two telecommunications business (value-added network service) is free from foreign capital restrictions with the adoption of the non-discrimination principle. The procedures of registration and notification have been made simple and transparent.

3) Fair competition in telecommunications business

As safeguards against cross-subsidization by type one telecommunications carriers including NTT, necessary provisions have been included in the accounting regulations.

4) Standards and certification of telecommunications terminal equipment

Technical standards for terminal equipment have already been very much simplified, but a study will take place promptly with a view to simplification of these standards aiming mainly at prevention of harm to the network. The technical standards compliance approval of terminal equipment shall be conducted by an impartial, neutral and independent approval agency, on the basis of foreign test data, in cases of foreign supplies, and by document inspection.

5) Transparency

In establishing and amending technical standards, transparency shall be secured by announcing the schedules as early as possible to interested parties both domestic and foreign, and through various means including participation of a Japanese national serving in a foreign-affiliated firm in the drafting process and in the Telecommunications Advisory Council.

(2) Electronics

1) To ensure appropriate protection of intellectual property rights in the field of electronics, the government has decided at cabinet meetings to propose to the Diet a bill concerning the protection of semiconductor chip rights and an amendment of the copyrights law concerning the protection of computer program rights. The government will make its best efforts to seek their legislation in the present session of the Diet.

3. Promotion of the liberalization of financial and capital markets and the internationalization of the yen.

(1) With a view to promoting liberalization of Japan's financial and capital markets and internationalizing the yen, such measures have already been taken as licensing foreign banks to deal in public bonds, relaxing regulations on euroyen CD's and announcing the criteria of participation of foreign banks in the trust banking activities.

(2) By the beginning of April this year, further measures had been taken such as introduction of money market certificates (MMC), further relaxation of conditions for issuing CD's, of euroyen bond issues and euroyen lending, and of yen-denominated bonds issued by non-residents.

(3) At present, concrete schemes for the establishment of yen-denominated bankers acceptance market and bond forward market are in the course of preparation.

(4) The liberalization of financial and capital markets and internationalization of the yen shall be steadily promoted, along with adjustments of the financial environment, in line with Ministry of Finance report current status and future prospects for the liberalization of financial and capital markets and the internationalization of the yen and the yen/dollar meeting report.

4. Ensuring moderate exports

With the basic policy of promoting balanced expansion of trade, efforts will continue to be made to ensure moderate exports to avoid concentration of specific products in specific regions while expediting the improvements in market access.

5. Enhancement of economic cooperation

In order to secure harmonious development of world economy and to positively contribute to the international community, Japan will continue its efforts to steadily increase its official development assistance (ODA), setting a new medium-term target for the period after 1986. In so doing, it will endeavor, to the greatest extent possible, to improve the quality of ODA through such steps as expanding bilateral grant aid and technical assistance and responding positively to requests for contributions to international financial institutions.

6. Promotion of mutual investment, etc.

Mutual investment will be encouraged in order to further internationalize the Japanese economy, to deepen the interdependency with other countries, and to vitalize other economies.

1) On industrial cooperation, the headquarters for promotion of industrial cooperation have been established with in Japan External Trade Organization (JETRO) in order to strengthen its role to provide information. Starting fiscal 1985, special service on industrial cooperation will be provided by the JETRO.

2) In order to encourage foreign enterprises to directly invest in Japan, vigorous support will be extended on a continued basis to local administrative bodies for their efforts in inviting foreign investments.

7. Foreign lawyers' activities in Japan

On the question of foreign lawyers' activities in Japan, the Japan Federation of Bar Associations made a basic policy decision on March 15, 1985, to accept foreign lawyers subject to the principle that reciprocity be practically maintained and the principle that the foreign lawyers will subscribe to the autonomy of the Japan Federation of Bar Associations. The government will work to have an appropriate solution materialized as early as possible through full exchange of views with the federation.

(Appendix)

Improvement in standards and certification systems, import testing procedures, etc.

1. Permission for passage of high-cube containers

With regard to marine containers 40 feet long and 9 feet 6 inches high, permission shall be granted for their passage through the predesignated routes, with such conditions attached as are necessary to secure safety, while taking account of the state of the roads and the volume of traffic involved.

2. Simplification of procedures for the notification of imported foods, etc.

(1) Necessary steps shall be taken to introduce anew a prior notification system.

(2) Necessary steps shall also be taken to extend the validity time of certificates for continued imports of tablewares, cooking utensils and food-producing machines.

(3) Accompanying documents for the import notification shall be simplified.

3. Simplification of the methods of indication of foodstuffs used solely as processing materials

Necessary steps shall be taken to simplify the methods of indication of food sanitation with respect to foodstuffs used solely as processing materials.

4. Establishment of standards for mineral water

Necessary steps shall be taken to establish food sanitation standards for mineral water.

5. Simplification and expedition of approval and licensing procedures for pharmaceuticals, etc.

(1) Application documents shall be simplified when the applicant for an import license is holder of a license for manufacture.

(2) With regard to approvals for manufacture and import, the scope of approval authority to be delegated to the prefectural governors was expanded on April 1, 1985 in order to expedite examination.

6. Permission for use and sale of high-priced medical devices imported for the purpose of clinical trials

In case medical devices imported for the purpose of clinical trials are high-priced or their disposal or recovery may cost much, their use and sale shall be permitted on the condition that they conform to the requirements for approval.

7. Simplification and rationalization of licensing procedures for cosmetics

With regard to licensing procedures for cosmetics, simplification and rationalization such as issuance of licenses allowing some latitude in the rate of combination of coloring agents were made on April 1, 1985.

8. Permission of joint use of testing facilities for import licenses for cosmetics

Joint use of testing facilities shall be permitted.

9. Institution of plant quarantine on holidays at new Tokyo International Airport

Necessary steps are being taken to institute plant quarantine on Saturday afternoon and holidays at new Tokyo International Airport from April, 1985 by increasing the number of quarantine officers.

NAKASONE PRESS CONFERENCE ON ECONOMIC PACKAGE

OW092301 Tokyo NHK Television Network in Japanese 0915 GMT 9 Apr 85

[Press conference given by Prime Minister Yasuhiro Nakasone on the package of economic measures released earlier in the day; held in the prime minister's official residence on 9 April -- live]

[Text] [Unidentified reporter] The latest package of economic measures has just been adopted officially. We now would like to open a press conference between the prime minister and reporters assigned to the Cabinet. First, we would like to hear the prime minister's view on the package before moving into a question-and-answer session.

[Nakasone] Today, the government adopted economic measures for the immediate period and mid-term economic policies. In this connection, I would like to report to my fellow citizens on the package and, at the same time, ask their cooperation.

Why did we have to adopt this kind of package? I believe that you are aware of the considerably busy exchanges we had lately with the United States. The reason was that unless we resolved this trade friction issue now, it threatened to create a grave situation in which it will become a life or death matter for Japan. In other words, Japan is a nation lacking natural resources. It imports them from other countries, turns them into products and sells them to other countries. That is our way of life. We are a nation relying on trade for survival. As a nation depending on trade for survival, we need systems under which we can sell our products freely. Otherwise, we cannot survive. Lately, however, Japanese exports have increased steadily and, as a result, the U.S. dollars in Japan's possession have increased considerably. Japan has thus become a nation that has run the greatest amount of surpluses in U.S. dollars. For example, the 1984 trade balance shows \$44.2 billion in trade surplus. Japan's exports for that year amounted to \$170 billion, and imports to \$125 billion. Japan thus accumulated such a large surplus as if it had been monopolizing the world trade.

Meanwhile, this led to claims that Japan keeps its markets closed and what Japan is doing has some unfair aspects. As a result, this has led to moves in foreign countries showing they cannot afford to leave the situation unresolved, that there is a need for retaliatory action against Japan, and that they should impose a 10 percent or 20 percent surcharge on imports from Japan in order to shut them out. If such action is taken, Japanese exports may stop or decrease, which will result in a serious recession in Japan -- and in rising unemployment. This is the kind of danger that has just emerged in this country.

Speaking of the destiny of Japan, we recall that following the end of World War II, the world committed itself to free trade and has since been cooperating and striving for it. Japan has been most successful in taking advantage of that trend; as a result, it registered high economic growth and has grown to be the world's No 2 economic giant. It is Japan that most benefited from free trade. On the other hand, however, Japan has made its efforts in various areas. [Nakasone points to charts behind him] As this chart indicates, it reduced tariffs -- to 2.5 percent in fiscal 1983. It also reduced the number of products subjected to import restrictions -- from approximately 1,000 items to 27 items now.

This is not a bad performance compared with other countries, European countries in particular. Speaking of the tariff rates, the average Japanese rate in 1983 was 2.5 percent in comparison to 3.6 percent imposed by the United States, and 2.7 percent by European nations. Japanese rates are the lowest in the world.

Then, what problems do we have now? Besides the questions of our importing certain goods or lowering tariffs, they say that we must improve our systems and procedures. This is the problem facing us now. In other words, they charge that the Japanese safety standards, product quality, and the procedures governing the inspection of products are very complicated and ambiguous, and that Japan is using such standards and procedures to unfairly shut out foreign goods. This is the kind of criticism directed toward us now. This is the crux of the problem facing us now. We are required to resolve it once and for all so that foreign products can have wider access to our markets.

The present situation shows that while we face the problem of safety standards, Japan's surpluses have increased to a whopping degree. The next chart here is a comparison of Japan's exports and imports from the United States.

The difference in 1983 was approximately \$20 billion; in 1984, however, exports to the United States rose to \$59.9 billion, or roughly \$60 billion, while imports from the United States amounted to \$26.9 billion, or approximately \$27 billion. The difference thus increased to \$33.1 billion. In Japan-U.S. trade alone, I mean. It threatens to increase even more next year. This fact caused irritations on the U.S. side.

Meanwhile, European countries have their problem -- the problem of unemployment. This chart shows unemployment in the United States as having decreased to 7.4 percent as a result of the economic recovery; it also indicates that in European countries, however, unemployment has been increasing continually, to 10.3 percent now. At the same time, this chart shows Japan's unemployment rate at 2.7 percent. This means that Japanese economic management is fairly effective, and that as a result, Japan enjoys a relatively low unemployment rate. However, the reason why unemployment is so high in the United States and European nations is that Japanese goods are making their way into their markets in a steady stream, and that as a result, enterprises in those countries are forced out of business in some cases and factories collapse in others, giving rise to unemployment. Under these circumstances, criticisms against Japan are mounting in the United States.

The U.S. Senate recently unanimously approved a resolution urging the President to invoke the law, and order a halt to imports from Japan if Japan sticks to what it has been doing and fails to make changes. It was approved unanimously 92-0. The House of Representatives also approved a similar resolution 394-19. This is the first time in history that the U.S. Congress adopted such a resolution against a single nation -- Japan in this case -- unanimously or with such a large margin as 394-19. That shows the serious extent of U.S. irritations. If this kind of resolution is accepted by President Reagan, and if he decides to implement it even against his will, Japanese exports will come to a halt, and it will become impossible for Japan to export to the United States such products as cars, television sets, videorecorders, and even machinery. Then, factories in this country will collapse and bankruptcy, unemployment, and a serious recession in general will hit Japan. This is the danger we face today.

We decided that this is a big crisis, and that we should let our people know about it and seek their cooperation in overcoming it. That is why we have adopted the package. At the same time, however, I must say that Japan has its point to make. The reason why Japanese goods are selling so well is that they are less expensive and of better quality, and that the service for them is excellent. Another reason is that the value of the U.S. dollar is too high, compared with that of the Japanese yen. People take advantage of the dollar's appreciation and buy more Japanese goods. This would result in further increases in Japanese exports. Even THE NEW YORK TIMES and THE WASHINGTON POST have pointed out that the present situation was caused by the overvalued U.S. dollar. A fairly large number of U.S. scholars also have expressed a similar view.

Another thing I would like to point out is that the United States is not making enough efforts to sell its products. I recently told a high-ranking U.S. official that all those Japanese selling goods to the United States speak English. Do the Americans who come to Japan to try to sell their goods speak Japanese? I have never heard about American salesmen speaking Japanese fluently, I told the U.S. official. That is the kind of effort Japan is making. When Japan wants to sell its goods to the United States and other countries, it makes catalogs written in English. For the U.S. goods which the United States wants to sell to Japan, however, I know that English catalogs are available but I have never seen a catalog written in Japanese. That shows the extent of efforts Japan is making.

For example, let us take a look at the telecommunications markets. The size of the U.S. market is Y18 trillion against Japan's 4 trillion.

In order to find a way from the small Y4 trillion market into the vast Y18 trillion market, everyone makes all-out efforts to produce better things. That is why Japanese goods sell better. On the other hand, those who have the Y18 trillion market become complacent, thinking that their products would sell well in their country even if they do nothing about it. Consequently, they make little effort to sell their goods to a country with a market as small as Y4 trillion.

In this respect, it can be said that U.S. businessmen are not making as many efforts as their Japanese counterparts. It could be an inevitable result of the law of economy -- of the fact that the U.S. market is so large. Consequently, U.S. businessmen should not be blamed for everything, I believe. Nevertheless, what I have pointed out explains an aspect of the present situation. What I mean is that it is not Japan alone that should be blamed, and that Japan has its points to make -- that is, that the United States should take measures to bring down the high value of the dollar, and that it should make greater efforts to sell its goods. We have been saying that we, including MITI, will fully cooperate with such U.S. efforts.

However, it is important that we provide U.S. businessmen with an equal opportunity and give them a chance of fair competition. If they should still fail to sell their goods, it would be their own responsibility, not ours. It is our responsibility, however, that we give them an equal opportunity. The economic package we adopted today is dedicated to that purpose. As a matter of fact, however, we cannot but admit that there are barriers on our side. This is because there is a difference in national character between Japan and the United States and the European countries. In Japan, the government looks after the people and, in many respects, it is the government's responsibility to take measures to prevent the occurrence of disasters or problems. Therefore, if there should be a perfunctory inspection conducted with respect to the quality or reception of telephones or quality of pharmaceuticals, the government would be sued. So the government looks after the people. Since the outbreak of pollution problems, the government has become very nervous with the result that it acquired the habit of intervening as much as possible. In the world's eye this is viewed as excessive government interference. So it is now necessary for us to bring it to the world's level and change the principle to that of leaving the matter up to the choice of customers or consumers. We became bold to carry out reforms this time to ensure openness and equity of opportunity on the international level or even more.

The package of measures adopted this time has two parts -- immediate measures and medium-range measures. The immediate measures, as announced by the chief cabinet secretary, deal with four sectors and other problems like that of lawyers. The immediate measures also call for making the duration of software copyrights as long as those of the Education Ministry -- I believe it is for 50 years -- for boldly stimulating the domestic demand and for helping promote the sales of goods at home. They also call for imposing restrictions if and when certain products are exported to a specific country like an avalanche. Thus the government will help stimulate the domestic demand and exercise self-restraint over torrential exports.

As for medium-range measures, the government decided today to adopt measures within 3 years -- at the earliest possible date within 3 years -- to build the framework of the adopted policy by the coming July and to adopt policy for building that framework by the end of April. It decided to carry it out at that speed.

In carrying out these things we clarified principles. First of all, trade should be on an expanded equilibrium basis. Put simply, trade should not be discouraged and reduced and it should be a principle to expand and enlarge trade. To this end, balance should be maintained between exports and imports. Therefore, we will maintain balance. It has become very important that we maintain balance through expanded imports. This expanded equilibrium comes first.

Second, with respect to procedures, we will keep four principles -- simplification, transparency, nondiscrimination between domestic and foreign products, and the opening of the markets. In sum, we will simplify inspection procedures or safety criteria. By transparency we mean to authorize the participation in deliberative council meetings of Japanese executives or employees of foreign firms -- IBM or other American companies, for instance. So, we will make things clear and transparent from the beginning by accepting representatives of foreign firms as long as they hold Japanese citizenship when we set criteria or enact laws. We will make clear that we do not do slipshod work or cheat.

By nondiscrimination between domestic and foreign products we mean to treat all foreign countries -- the United States, Europe, or ASEAN -- on an equal basis. We then will open up our markets. These are the principles.

Next, regarding imports, imports will be free in principle with the exception of special things. The import of special things will be an exception; it will be restricted. However, we will first adopt the great line that imports are free in principle. Thus we will leave it up to the choice and responsibility of consumers and customers without the government intervening wherever possible. That is the second principle.

Third, this policy will apply to the entire world equally. It will apply not only to the United States but also the the European nations, Asian countries, ASEAN nations, and developing countries on an equal basis. We will adopt these three as basic principles and, when we implement policies from now on, we will implement them under these basic principles.

Finally, in carrying out this policy, I have a favor to ask of the nation. First, there is no guarantee that no enterprises will sustain damage or get into trouble because of the market-opening measures. As for forestry products, checkerboard-making, and other companies that would sustain damage or get into trouble, the government will work out measures as much as possible. The government simultaneously adopted a policy to look after forestry products and the forestry industry in various areas under a 5-year plan. I think that by undertaking this course, the industry itself will grow into a strong industry. This is important for it. At the same time, in a way it will benefit the consumers in Japan. I hope that the nation will take into consideration the fact that the industry will become strong and the consumers will derive benefits.

Second, I would like to ask fellow citizens to buy foreign goods by all means. I ask department stores, enterprises, trading houses, supermarkets, and you journalists, to cooperate in this respect. The government should take the lead and purchase foreign goods wherever possible. For example, JETRO [Japan External Trade Organization] recently held what was called an American Imports Fair in Nagoya, with great success. We plan to hold more similar import fairs this year to encourage imports from the United States, European, and other countries, with additional budgetary outlays if necessary. We will be gratified if department stores come forward with their cooperation and hang streamers with such signs as "Let Us Buy Foreign Goods" or "Let Us Use Foreign Goods." I would also like to ask you journalists to cooperate in this field.

As the figures in this chart here indicate, the consumer in EC nations spends \$1,282 or Y326,000 on foreign goods and the U.S. consumer \$753 or Y190,000, whereas the Japanese consumer spends \$271 or Y69,000 on foreign imports. In Japan, a person buys Y69,000 worth of foreign goods a year, against the average of Y190,000 and Y326,000 spent by the U.S. and European consumers on foreign imports per capita, respectively. The differences are tremendous.

Japan has no major industrial nations among its neighbors. It is an island nation surrounded by the sea. As a result, consumers tend to buy domestic products. Its foreign trade is structurally built on natural resources imported from other countries. Roughly speaking, of its annual imports amounting to about Y140 billion, Y90 billion are for oil, food, minerals, and other raw materials, and the remaining Y40 billion are for manufactured goods [figures as heard]. It is not unreasonable that the proportion of manufactured goods it imports is smaller than those of other countries. Nevertheless, the figure of Y60,000 is too small as compared with the figures of Y320,000 and Y190,000 [figures as heard]. I ask all my fellow citizens to cooperate in increasing that figure. If every citizen buys \$100 or Y25,000 worth of foreign goods, it will increase the nation's imports by \$12 billion. If that occurs, foreign countries will really be gratified.

And is why I am asking my fellow citizens to buy foreign goods. If they do, they will really be helping our nation overcome the greatest difficulty it is in now. This is the appeal I would like to make to you today.

Third, I would like to let the people know that the reason we adopted this package is that it is in Japan's interest. As I said earlier, Japan is a trading nation -- a nation relying on free trade for survival. If free trade came to a halt or were restricted in one way or another, it would be Japan that would suffer most. Especially, Japan is currently working for a new round of multinational negotiations on trade and tariffs, with a view to further promoting free trade and lower tariffs. Together with the United States, we are calling for a new round to follow up the Tokyo round with even greater liberalization and tariff cuts. If goods become less expensive and tariffs are further lowered, Japan will benefit from them that much more. Since Japan has taken the lead in promoting a new round of multinational trade negotiations, it has the responsibility for implementing these measures indicated in the package, I believe.

Finally, I would like to point out that free trade is indeed a very fragile thing. The reason is that every nation will naturally want to protect itself, shut out foreign products and foster its own industries. As a result, they want to set up barriers by any means possible. That is why free trade is a very fragile thing. However, the whole world, learning from the lesson of World War II, has been striving to develop free trade, realizing that there can be neither a lasting peace nor a lasting prosperity without free trade. Japan has benefited most from free trade. Therefore, it is Japan's fundamental national policy to cooperate with the whole world in fighting protectionism. President Reagan has been making tremendous efforts to that end. I express my wholehearted respect and appreciation for the efforts being made by the White House these days. We should make as great efforts in or fight for free trade.

When pondering why World War II broke out, we find that, of the various reasons that led to the outbreak, the chief cause was the high barriers of tariffs which nations built against foreign goods, forming blocs. This led to disputes, unemployment, and recessions, which in turn caused conflicts to escalate, and eventually the world war.

Today we should think about the future of the world. In order to preserve the peace and prosperity since the end of World War II, Japan should take the lead in promoting and practicing free trade. We should learn from the lesson of World War II. We must not repeat that tragedy. We must help build world prosperity and peace through our own efforts. It is for this reason that we have adopted the latest package of economic measures.

Dear fellow citizens, I ask your understanding and cooperation. All, ladies and gentlemen from foreign countries, I will be happy if I have made my view fully clear to you. Thank you very much.

Question and Answer Session

OW100413 Tokyo NHK Television Network in Japanese 0937 GMT 9 Apr 85

[Questions and answers during Prime Minister Yasuhiro Nakasone's 9 April press conference on the package of economic measures released earlier in the day; held at the prime minister's official residence in Tokyo -- live]

[Text] [First unidentified reporter] As you said earlier, irritations among the American people over Japan's trade surplus have reached an unprecedentedly high level. Our first question is, with the package announced today, how confident are you in dispelling U.S. irritations and dissatisfaction? Please comment.

[Nakasone] I must say that at this point in time, we have exhausted our energy and done our best within the range of our capabilities. Therefore, if they realize the efforts we have made, I think that we can win their understanding to a considerable degree. This is the way I feel about it. The fight against protectionism, as I said earlier, is our joint obligation. President Reagan and the White House are striving to fulfill the obligation; therefore, we Japanese must also make efforts to fulfill the obligation. At the same time, we must seek the understanding of the United States. With this in mind, I will continue my efforts to this end in the future.

[First reporter] While the package adopted today is fairly comprehensive, some people will strongly point out that even with it, the massive \$33 billion trade imbalance between Japan and the United States will not be easily reduced. How will you promote such basic measures as those dealing with high U.S. interest rates and other problems you referred to earlier?

[Nakasone] Inasmuch as the Japan-U.S. trade imbalance has grown to such a level, I think it will be difficult to bring it down to zero with a just a stroke or overnight. Also involved are factors relating to actions [kodo teki yoin] by both the Japanese and U.S. sides. However, we will endeavor to steadily reduce the gap by faithfully implementing the immediate measures and medium-term policies in the package. Meanwhile, I will also strongly ask the United States and other countries to do their share concerning the yen-dollar exchange rate and high interest rates. I also want them to improve their sales campaign. I intend to continue my all-out efforts so that we can achieve the desired results through mutual efforts.

[First reporter] A key item in the package deals with the plywood issue. The package sets forth a 3-year target to lower the tariff rate and a 5-year plan to build up the domestic industry. One point we would like to ask you is whether the tariff cut will be made with a single action or on a phased basis? The other point is what will you do specifically under those measures to build up the domestic industry and how will you secure funds for them? Please comment.

[Nakasone] I am very sorry that the package particularly affects those in the forest industry and in businesses linked to the lumber industry. We plan to do our best, however, in every area to relieve them of whatever worries they might now have. On this point, the package focuses first of all on those people in the lumber industry and other businesses directly affected by the tariff cut. It then lists bold reform measures for forestry itself, which are designed to improve its productivity and competitiveness and to stop the current devastation of the nation's forests. This year is the UN Year of Forests. We have decided to make this year a turning point to carry out sweeping reform of our forestry administration and build effective management. We have formulated the 5-year plan to that end.

Under the plan, we will focus on both forests and lumber mills simultaneously to cope with the current situation facing our forest products. The tariff cut will be basically completed within 3 years on a step-by-step basis.

[First reporter] How about the question of funding, the question of securing funds required for the domestic measures?

[Nakasone] Concerning that question, consultations are being held among the minister of finance, the minister of agriculture and forestry, and the director general of the Economic Planning Agency. The question will be given positive consideration when the time comes for ministries and agencies to submit their budget requests for the next fiscal year. It is not yet time for us to promise any special appropriations because the Diet has just approved the budget for this fiscal year and figures are not yet available on budget requests for next fiscal year. Therefore, we will carefully study the funding from now on. As I said, this is the international year of forests, a special UN year, and we plan to take advantage of it to boldly reform our forestry management. Especially, we must see to it that thinning operations can be carried out wherever necessary; otherwise, it will be impossible to prevent disasters, develop water sources, and carry out afforestation projects. We would like to begin with a powerful policy that makes it possible to conduct thinning operations even on private forests.

[Second unidentified reporter] In retrospect, the Japan-U.S. economic friction has recurred time and again since the textile negotiations in the early 1970's. Each time the two sides have taken measures to cope with it. While the measures that have been announced deal with the latest round of such friction, people have been pointing to the Japan-U.S. gap existing in various areas. On this occasion, are you considering any special steps to obtain better U.S. understanding about Japan or to deepen the understanding between the two nations?

[Nakasone] The package we just adopted will be translated into English for distribution to U.S. congressmen, journalists, press and television commentators, and college professors, and if necessary, Japanese experts will go to the United States to explain it fully in order to get their understanding. We will also invite those congressmen who are concerned with these problems to Japan so that they can see what is actually going on in Japan. I hope that both sides will leave no stone unturned in fighting protectionism.

In this connection, it is important that we should not allow this kind of trade friction to disrupt or damage the basic objective -- Japan-U.S. friendship. It is a foundation of mutual prosperity and world peace that Japan and the United States stay linked hand in hand across the Pacific and maintain friendship between them. This is also the hope of Asian nations and many countries in the world. Therefore, politicians and leaders should have a broad perspective and should not allow this kind of problem to disrupt the basic line of Japan-U.S. friendship or damage it. This is my conviction. This is what I told presidential aide Sigur when he visited Japan recently, and I asked him to convey it to U.S. congressmen and the White House.

[Second reporter] Mr Prime Minister, just as you pointed out earlier, it is a fact that Japan has acute frictions not only with the United States but also with European countries. In this connection, there is a move already underway to make the question of these frictions a subject of discussion at the summit meeting to be held this May. Some observers fear that Japan might come under a cross fire. Starting from today, how will you brace yourself for the upcoming summit?

[Nakasone] Japan must first of all discharge its responsibility as a global economic power. I believe that Japan must play a commensurate economic and political role. This is the first requirement. At the same time, all countries in the world have their own problems. Take the summit nations for instance: One country is beset with a huge fiscal deficit and high interest rates; another country is having trouble with industrial restructuring and slow progress in economic reform due to frigid industrial relations; still another country -- like Japan -- is having ballooning exports and an overbalance of foreign exchange, thus disrupting the world economic equilibrium. Each country has its own trouble.

Therefore, I think it a good idea to make the upcoming summit one at which the participants, instead of locking horns and criticizing one another, will ponder ways to solve these problems, talk things over, and consult with each other in a positive manner and in good faith to find solutions. I think such a summit is possible. I will fully explain the Japanese position and cooperate with the other participants in finding ways to tackle their problems and troubles.

FOREIGN MINISTER ON MARKET-OPENING MEASURES

OW091237 Tokyo KYODO in English 1224 GMT 9 Apr 85

[Text] Tokyo, April 9 KYODO -- Foreign Minister Shintaro Abe said Tuesday a package of market-opening measures announced earlier in the day is a "product of the Nakasone administration's best efforts (to reduce Japan's huge trade surplus with the United States)."

"The United States is urged by all means to positively evaluate the package," Abe said at an upper house committee session. But he added: "I can't foretell how (the U.S. Administration) will respond." Abe also told the meeting he has no plan to put forward additional market-opening measures when he meets U.S. Secretary of State George Shultz in Washington Saturday. The bilateral trade dispute will be discussed extensively in a bid to stop it damaging overall Tokyo-Washington relations, Abe added.

At a Cabinet meeting held earlier in the day to discuss the package, Abe reportedly opposed the idea of reducing tariffs on plywood beginning only in April 1987. "This means we will be doing nothing before then. I suspect this will create bad impressions in the United States and Asian countries (which have been calling for speedier action)," the foreign minister was quoted by government sources as saying. Secretary Shultz had personally asked for Japan's swift action on this problem.

Meanwhile, Agriculture, Forestry and Fisheries Minister Moriyoshi Sato issued a statement saying he had made his maximum efforts to prevent the package from causing any adverse effects on Japan's agriculture, forestry and fisheries industries. "I think we have primarily achieved what we had wanted," Sato said in the statement.

What should be done about Japan's freer importation of forest products emerged as a major problem as Cabinet ministers concerned made final efforts to work out the package, designed to give greater access to Japanese markets for foreign competition.

NODONG SINMUN URGES PEACEFUL REUNIFICATION

SK081200 Pyongyang Domestic Service in Korean 2135 GMT 7 Apr 85

[NODONG SINMUN 8 April editorial: "Let Us Remove the Danger of War and Reunify the Fatherland Peacefully"]

[Text] The U.S. imperialists and the South Korean puppets staged the "Team Spirit-85" joint military exercise, directed against the northern half of the republic, in South Korea and the seas surrounding it for almost 2 months beginning from 1 February. This joint military exercise, which was staged despite the strong protest and condemnation of our people and world's peace-loving people, was an extremely dangerous and reckless military provocation threatening peace and aggravating tension in Korea. This joint military exercise, which was the 10th exercise staged under the name "Team Spirit" since 1976, was the largest one in history in terms of the number of troops and quantity of equipment mobilized. The U.S. imperialists mobilized vast troops from the U.S. mainland and the Pacific, as well as U.S. forces stationed in South Korea, and the South Korean puppet army, numbering over 200,000, and numerous modern war means, including an aircraft carrier flotilla.

The U.S. imperialists' staging of military operations, using vast armed forces, in the southern area of the Korean peninsula, located far from the U.S. mainland, eloquently proved the aggressive and dangerous nature of this joint military exercise. The "Team Spirit-85" joint military exercise was a full-scale attack exercise to enhance the capability for mobile deployment of vast U.S. Armed Forces from the U.S. mainland and the Pacific to South Korea and their combined operations and to review and complete their posture of combat preparedness against our Republic.

The U.S. imperialists and the South Korean puppets designated areas similar to those in the northern half of the republic and staged there an aerial operation involving U.S. airborne troops and an amphibious operation involving U.S. Marine Corps units. They also staged an aerial mobile operation and an operation for harassing the rear area to launch a 3-dimensional attack on the rear areas of a simulated enemy. These operations vividly showed that the "Team Spirit-85" joint military exercise was not only an open act of war against us in terms of its operational scope, size, content, and character, but was also an operational exercise to secure a favorable bridgehead for an invasion of the northern half of the republic and to stage a 3-dimensional nuclear attack in the frontline and rear areas of our country.

As all facts have clearly shown, the "Team Spirit-85" joint military exercise was a comprehensive preliminary war and a nuclear test war to launch a preemptive attack against the northern half of the republic from the ground, sea, and air of South Korea by mobilizing conventional weapons, nuclear weapons, and other means of war.

The U.S. imperialists have sought their aim of reinforcing U.S. Armed Forces stationed in South Korea and the South Korean puppet army by dropping on the spot the modern weapons and equipment introduced by them during this military exercise. This shows that this joint military exercise is not only a military exercise to complete a command and mobilization system, a concentrated transport system, and an offensive operations system of troops and military equipment for a new war in Korea, but is also main leverage for arms buildup in South Korea. This joint military exercise vividly proves that the alleviation of tension and peace clamored about the U.S. imperialists are a lie and that what they are pursuing in Korea is still war and division.

The "Team Spirit-85" joint military exercise is a direct product of the U.S. policy of aggression against Korea and Asia.

The U.S. imperialists, who have declared the Korean peninsula as a vital area for the interests of the United States and as the frontline of U.S. strategy, have newly established and expanded military bases and installations in South Korea and areas around it and then dragged nuclear weapons and various means of war into those areas.

Today, South Korea has been reduced into a large-scale war powder keg and nuclear base where the deployment of aggressive armed forces and means of war is the densest in the world, and where numerous nuclear weapons have been deployed. Having completed the strategic deployment of vast armed forces and military equipment concentrated in South Korea and areas around it in order to use them in a military operation at any moment, the U.S. imperialists are now stepping up efforts to perfect the command and mobilization system of these armed forces and equipment. In particular, the U.S. imperialists have utilized the "Team Spirit" war exercises as an important means to accelerate the system of military unity of the United States, Japan, and South Korea, with the United States as the main axis, and to complete a tripartite military alliance among them.

In this "Team Spirit-85" joint military exercise, too, the U.S. imperialists utilized Japan as a relay base, supply base, and deployment base. Synchronized with the start of the joint military exercise staged this time, the Japanese Self-Defense Forces were placed in a posture of operational readiness, and military personnel of the Japanese Self-Defense Forces, including staff officers, inspected the joint military exercise in the operational areas. It is no secret that the Japanese Self-Defense Forces participated, directly or indirectly, in the coastline blockade removal operation and the amphibious operation, staged in the Korea Strait and Pohang area, respectively.

This joint military exercise staged with the United States and Japan as relay bases and the northern half of the republic as the target of attack was virtually a tripartite military exercise staged in connection with the schemes to fabricate a tripartite military alliance. This shows that tripartite military collusion of the United States, Japan, and South Korea and their joint operational system have become an established fact through the "Team Spirit" exercises.

Under conditions in which dialogue was arranged between the North and the South and negotiations for improving relations between the two sides were in progress thanks to our active initiative and efforts, the U.S. imperialists and the South Korean puppets staged the joint military exercise directed against us, a party to the dialogue.

The great leader Comrade Kim Il-song has taught: Last year, our party and the Government of the Republic actively made efforts to realize contact and dialogue between the North and the South in accordance with the lofty ideas of independence, peaceful reunification, and great national unity clarified in the 4 July North-South Joint Statement.

As has already been reported, last autumn, on the occasion of our offer of relief to the South Korean flood victims, the first economic talks and contact of the Red Cross organizations of the North and the South were held at Panmunjom. The dialogue held between the two sides at Panmunjom, which served to open a new breakthrough to improve and develop stalemated North-South relations, was a fruition of our sincere efforts to put an end to the protracted state of division and to link again the severed national ties.

Rejoicing at the fact that economic talks between the North and the South were held for the first time and that it was possible to again hold the Red Cross talks which had been suspended for a long time, we made all possible efforts to achieve progress in the hard-won dialogue.

We did not take any countermeasures regarding the shooting incident at Panmunjom, but were cautious. We also expressed our will to realize broad collaboration and exchange between the North and the South in all fields and, further, to hold high-level political talks. This was an expression of our sincere desire to make such dialogue progress.

When the United States and the South side announced a plan for the joint military exercise directed against us, a party to the dialogue, and thus completely reversed the atmosphere of dialogue, we proposed holding contact between vice premiers of the North and the South in an effort to revive dialogue.

However, the South side responded to all our sincere efforts for dialogue with war rackets. Because of this, the hard-won North-South economic talks and Red Cross talks had to be suspended. The South side should bear total responsibility for this. The South side came up with the far-fetched and preposterous excuse that this military exercise was an annual defensive exercise and a separate problem that had nothing to do with dialogue and then tried to justify this excuse.

Whom can the South side persuade with its inconsistent sophistry that the large-scale operational exercise for attack, in which even nuclear weapons and a special operational unit aimed at infiltrating into the rear of the northern half of the republic are mobilized, is for defense, and that the war game, which has been staged directly against the other party to the dialogue, has nothing to do with dialogue? How can the South side cover up its warlike nature against dialogue with such sophistry?

The "Team Spirit-85" joint military exercise has been a dangerous military operation aimed at completing the plan for a war of northward invasion and igniting the fuse of a war in Korea.

In connection with the prevailing situation, the KPA Supreme Command has ordered all people, the men and officers of the People's Army and People's Security Forces, and members of the Worker-Peasant Red Guards and the Youth Red Guards to maintain a high-level of revolutionary vigilance, keenly watch the activities of the enemies, and firmly defend the rivers, mountains, and worksites of the fatherland.

Our measure was a just self-defense measure aimed at coping with the probable sudden invasion from the U.S. imperialists and the South Korean puppets. It was the expression of the firm stand and determination of our people and the revolutionary armed forces to defend the socialist fatherland and the gains of revolution from the subversion of the enemies.

Our people have firmly defended the socialist fatherland and the gains of revolution, while keenly watching every movement of the enemies, upholding the order of the KPA Supreme Command and firmly rallying around the party Central Committee.

The U.S. imperialists and their stooges have not dared to put out their feelers of aggression to the northern half of the republic. This is because our people have assumed a preparedness posture to easily repulse any sudden invasion from the enemies. We have largely contributed to maintaining peace in Korea and Asia by firmly defending the oriental guard post of socialism by actively coping with the enemies' new war provocation scheme with a full preparedness posture.

Our consistent policy is to improve and develop North-South relations through dialogue and negotiations; to restore the broken unity of the nation; and to find a peaceful way in realizing the reunification question.

Still unchanged is our stand to solve the internal question of the nation in a peaceful fashion by pushing ahead with the North-South economic talks and Red Cross talks, by realizing broad collaboration and exchanges, and furthermore, by providing for high-level political talk.

The North-South dialogue can be successfully pushed ahead only in the process of stopping the anticommunist confrontational policy of being hostile to the other party to the dialogue, putting a halt to war rackets and actively creating a relevant atmosphere for dialogue.

If the South side is willing to improve and develop the North-South relations through dialogue, it should not incite enmity and a sense of confrontation toward us and should not do such things as promoting mistrust and misunderstanding, while having a correct attitude toward dialogue. The act of advocating dialogue with words while running counter to this in actual deeds, is an inconsistent double-faced scheme and a breach of faith against dialogue.

Maintaining and solidifying peace in Korea is an urgent question that awaits a solution. In order to avert the danger of a war and provide a reliable guarantee for peace in Korea, it is necessary for us and the United States to replace the Armistice Agreement with a peace agreement and it is necessary for the North and the South to adopt a declaration of nonaggression in which the North and the South would guarantee not to use arms against each other.

Our proposal for tripartite talks between us, the United States, and South Korea is aimed at realizing this urgent demand.

The "Team Spirit" joint military exercises, which are bringing the situation on the Korean peninsula to the brink of war while their scope is being expanded step by step every year, more urgently necessitate an early realization of the tripartite talks.

When tension is reduced and a reliable guarantee for peace is provided, North-South dialogue can proceed in an atmosphere of trust and understanding.

If the United States and the South Korean authorities do not want to see the aggravation of tension in Korea, now is the time when they ought to show an affirmative response to our proposal for tripartite talks. Our people's unanimous will is to reduce tension, maintain and solidify peace, and to see the North and the South concert their strength to solve the internal questions of the nation through dialogue and negotiations.

We will make every effort for the peace and peaceful reunification of Korea in the future, too.

The following are totally dependent upon the future attitude of the United States and the South Korean side: Whether peace will be maintained and solidified or whether tension will be aggravated in Korea; whether North-South relations will be improved and developed and the road to peaceful reunification will be pioneered; or whether the situation of confrontation and disunion will continue.

NODONG SINMUN STRESSES FOREIGN ECONOMIC TIES

SK080557 Pyongyang Domestic Service in Korean 2128 GMT 6 Apr 85

[NODONG SINMUN 7 April special article: "Socialist Economic Construction and the Expansion and Development of Economic Relations With Foreign Countries"]

[Text] It is an unchanging policy of our party and the Government of the Republic to develop economic relations with foreign countries on the basis of the principle of establishing a self-reliant national economy. Today, our party and the Government of the Republic are expanding and developing economic relations with foreign countries in accordance with the realistic condition in which the bedrock of the self-reliant socialist economy has been incomparably strengthened.

The great leader Comrade Kim Il-song has taught: One of the important tasks which the national economy of our country is presently facing is to develop foreign trade rapidly. The prevailing situation in our country in which the scale of the national economy has incomparably expanded and the sectors of the economy have been greatly diversified calls for us to further expand and develop trade with foreign countries.

Maximum mobilization and utilization of the domestic resources and the development of economic relations with foreign countries on the basis of the principle of self-reliance are the fundamental issue in stepping up socialist economic construction. The socialist economic construction of each nation is carried out along with economic relations with other countries. Differences in the natural and geographic conditions of each country and in its social and historic conditions, and its special features of economic development produce differences in capacities of production, in the development of technology, and in the experiences and structures of production.

Because of these differences, quantities and varieties of the raw materials and products of each country vary. Some domestic products are oversupplied more than required, while some products are not domestically produced or inadequately supplied. Hence, each country depends on domestic production in supplying production means and consumer goods which are basically required in large quantities, and depends on foreign countries in supplying what is needed in small quantities or inadequately supplied on the basis of the principle of satisfying each other's needs.

Economic relations with foreign countries make it possible to exchange new achievements and advanced experiences gained in the fields of science and technology, to realize cooperation and exchange between technicians and specialists, and to provide favorable conditions for the economic development of each country. Therefore, economic relations with foreign countries must be actively expanded and developed in order to step up the economic construction of the country and continuously improve the people's standard of living.

The prevailing situation of the economic development of our country in which the scale of the national economy has incomparably expanded and the level of its technology and equipment has been enhanced calls for expansion and development of economic relations with foreign countries. To properly meet the demand for raw materials and resources which grows as the scale of the economy expands and new economic sectors are established and to develop the economy through the effective utilization of existing economic foundations, hidden potential must be dug out and utilized to a maximum degree, and economic relations with foreign countries must be actively developed. Only then can production be stabilized at a high level, the might of the self-reliant socialist national economy is displayed more highly, and the people achieve greater affluence.

The expansion and development of economic relations with foreign countries are also important in promoting the international prestige of the country, strengthening friendly and cooperative relations with foreign countries, and providing favorable international conditions for our revolution.

Today, we have all the conditions and possibilities necessary to expand and develop economic relations with foreign countries. The self-reliant national economy which our people have established by displaying the spirit of self-reliance and arduous struggle is the powerful material foundation to step up socialist construction, improve the people's standard of living systematically, and guarantee the international prestige and political independence of the country. At the same time, it is a powerful means to ceaselessly expand and develop economic cooperation with foreign countries. With this powerful foundation and the achievements and experiences gained in the field of economic relations with foreign countries, we must bring foreign trade and international economic work to a new high stage.

Actively expanding and developing economic and technical cooperation and exchanges with the socialist countries is the unchanging principle that our party is maintaining in the field of economic relations with foreign countries. The socialist countries are class brothers satisfying each other's needs and developing their cooperative relations on the basis of the intrinsic nature of the socialist system and the common ideal of socialist and communist construction and on the basis of the principles of equality, independence, and proletarian internationalism.

Strengthening the cooperation and exchanges among the socialist countries is the noble international duty of assuming responsibility for the revolution of each socialist country and the revolution of the world. Through the consolidation of economic and technical cooperation and exchanges among the socialist countries, the economy of each country can be developed even more rapidly, and the might of the overall socialist forces can be strengthened.

The socialist countries have all the conditions and possibilities necessary to develop mutual cooperation and exchanges. They have powerful economic might, developed science and technology, and abundant natural resources.

The socialist market, the important system for economic and technical cooperation and exchanges among the socialist countries, has the great advantage of experiencing no economic crisis and recession. By relying on the socialist market, in which economic exchanges are made systematically on the basis of the superiority of the socialist system, great progress can be made in the national economic development of each country.

The visits which the great leader Comrade Kim Il-song paid to many fraternal socialist countries last year were important opportunities to provide a firm foundation for developing economic and scientific and technical cooperation and exchanges with these countries to an even higher stage. Only by expanding and consolidating economic and technical cooperation and exchanges with the socialist countries can we further consolidate this success.

Developing cooperative relations with the developing nations, the Third World countries, is important in expanding and consolidating economic relations with foreign countries. The developing nations, at present, face the urgent task of exchanging successes and experiences in economic construction and developing trade on the basis of the principle of satisfying each other's needs. Under these circumstances, we must place great emphasis on developing the economic relations with these countries in accordance with the noble spirit of South-South cooperation.

If economic and technical cooperation and exchanges develop between the socialist countries and the developing countries, the economic independence of these countries will be greatly helped, and a favorable condition will be provided for the establishment of a new international economic order.

We must develop economic relations with all those countries of the world which respect the sovereignty of our country and are amicable to us. The realization of multifaceted collaboration and exchanges in various forms and methods is an important way of further expanding and developing the foreign economic relations of the country.

The forms and methods of economic and technical cooperation and exchanges are linked to the comprehensiveness and depth of foreign economic relations. As economic and technical cooperation and exchanges are consolidated in various forms and methods, foreign economic relations are expanded and deepened.

Foreign trade is the exchange of products between countries. Thus, it is a principal form of economic exchange with foreign countries. Hence, great emphasis should be placed on developing foreign trade in order to seek smooth economic relations with foreign countries.

Increasing exports is an essential demand for developing various economic exchanges, including foreign trade. Only by increasing exports can various payment obligations arising from economic exchanges with foreign countries be fulfilled. In this regard, foreign trade should be diversified. In so doing, more goods should be exported to foreign markets, and the goods we need should be imported swiftly. To this end, export goods production bases should be properly organized. At the same time, the ratio of processed goods should be increased with the export of goods, and emphasis should be placed on exporting materials, such as nonferrous metals and cement.

For comprehensive and deep economic exchanges, the 'credibility-first' principle should be adhered to. Credibility is a precondition to the development of foreign economic relations. To thoroughly respect credibility in economic exchanges among countries, it is important to faithfully fulfill various contractual obligations. In particular, the quality of goods should be improved, the date of delivery of export goods should be strictly met, and payment obligations should be thoroughly fulfilled.

We must further expand foreign trade with other countries while thoroughly respecting the principle of exporting goods to the socialist markets first and attaching importance to the socialist market in importing goods. Economic collaboration and the exchange of technology are areas where emphasis should be placed in the development of foreign economic relations. Economic collaboration and the exchange of technology are an important means for utilizing the human and material resources of the country in a rational way and for further enhancing the level of the science and technology of the national economy.

Economic collaboration and the exchange of technology provide a favorable condition for the economic development of the country through the establishment of joint venture enterprises on the basis of the joint utilization of manpower, facilities, and technology and through the mutual exchanges of new achievements in the fields of science and technology and experiences in production and in the field of technology. Through proper economic collaboration and the exchange of technology, needed machinery and facilities can be brought in, and advanced technology and techniques of production and management can be introduced. At the same time, it is possible to solve the problems of raw materials, fuel, funds, and manpower and to improve the economic structure and technical process of the country.

We must regard further developing the economic and technical exchanges and collaboration with the socialist countries and many other countries of the world on the basis of the DPRK Joint Venture Law as an important issue. We must make even greater progress in ceaselessly expanding and developing the foreign economic relations of our country in accordance with the party's intent. By so doing, we must glorify the meaningful this year.

LSWYK LETTER ON SOUTH'S SUPPRESSION OF STUDENTS

SK091327 Pyongyang Domestic Service in Korean 2300 GMT 3 Apr 85

[Text] The LSWYK Central Committee and the Korean Student Committee sent the following letter to the International Student Union and the youth organizations of all countries in connection with the puppet clique's barbarous campus suppression which is being stepped up in South Korea:

To International Student Unions and youth organizations in all countries: The struggle of the youths and students is being waged vigorously in South Korea today for campus freedom and democracy. The struggle of the South Korean youths and students, which exploded with the National Assembly elections last February, has continued through March and up to today under the banner of antifascism for democratization.

Tens of thousands of students from almost every university in Seoul, including Seoul National University [SNU], Korea University, Yonsei University, Konguk University, Hanguk University of Foreign Studies, and Sungjon University, and numerous universities in provincial areas, including Pusan and Inchon, have been waging daring daily struggles in the face of the puppet police in the form of demonstrations, rallies, and sit-ins, chanting slogans such as "Guarantee democratization of the campus," "Stop campus surveillance and the illegal taking into police custody," "Let the regime of violence be withdrawn," "Chon Tu-hwan step down."

The South Korean youths and students have been further developing their struggle, uniting themselves in better organizations step by step and strengthening their solidarity with the masses of all walks of life.

The representatives of colleges and universities in Seoul gathered in front of the student hall of Korea University on 22 March and held a united rally of 29 colleges and universities for democratization of the campus and adopted a statement of united and joint struggle. And SNU students held a general student council meeting on the campus for defending the masses and democracy, resolved their determination to strengthen the joint struggle with the people of all walks of life, and joined in the riot of the residents of Kangso-ku, Seoul, who rose up opposing the authorities' forcible removal of their houses.

The just struggle of the youths and students is winning support and consensus from many people in South Korea, including conscientious professors, because their struggle is very just and patriotic.

The struggle of the youths and students of South Korea is an explosion of pent-up resentment against South Korea's present fascist dictatorship, and it is a natural consequence of the U.S. colonial rule. The South Korean youths' and students' desire is campus freedom, the democratization and independence of society, and the reunification of the country. However, such just aspirations and desire on their part are ruthlessly trampled upon by the Chon Tu-hwan fascist dictatorship controlled by the United States.

Today, the campuses in South Korea have been turned into a place of rampant intelligence and surveillance, a place of supply of cannon fodder for a fratricidal war, and a military drillground. The student council, which is an autonomous organization of the students, is suppressed on the pretext of being an illegal organization and student organizations are forced to be patronized by the government.

Students are expelled from campus when they demand freedom of studies, arrested when they call for democracy, and put on court trials and executed when they aspire for the reunification of the country. The South Korean rulers punish or draft into the army students who do not act as they desire on the pretext of poor academic record and their being disturbing elements, and so forth, murdering them secretly and denying them jobs upon graduation.

In South Korea, in the first semester alone which began in March, 1,900 SNU students were punished and 210 expelled and 1,020 Korea University students were punished and 70 expelled on the pretext of poor academic record.

The uprising opposing the current situation by the South Korean youths and students, who are sensitive to the new and have a strong sense of justice and love for the country and the nation, is quite natural. In spite of this, the South Korean fascist clique is harshly suppressing the just struggle of the youths and students. It is defiling the struggle of the youths and students, labeling it as a riot, and is taking the youths and students into police custody at random, torturing and putting them on trial, dispatching armed police, and wielding guns and bayonets.

The South Korean rulers have recently called a meeting of the ministers involved in the campus problems and taken steps to intensify campus suppression, threatening that they will severely punish those who violate campus laws, and deployed a greater number of police forces on campuses on a regular basis.

The savage act of the South Korean rulers brutally suppressing the struggle of the South Korean youths and students for freedom and democracy cannot be justified by anything, and it will not escape the denunciation of the world's good people and social circles as well as of all the Korean people.

The struggle of the South Korean youths and students is connected with the sacred cause of the reunification of Korea and world peace. The International Student Union and the organizations of youths and students in all countries have actively supported the struggle of the South Korean youths and students against the United States and and for independence and democratization, and have expressed firm solidarity with our people's struggle for the reunification of the country.

This is a great encouragement for the youths, students, and people of Korea struggling for democracy and the reunification of the country, and a great blow to the United States and their stooges seeking colonial military fascist rule and the perpetual division of the country.

We take this opportunity to express our deep gratitude to the International Student Union and the organizations of youths and students of all countries for their active support for the struggle of the South Korean youths and students and our people. We also express the hope that the International Student Union and the organizations of youths and students in all countries, wherever they might be, will actively support the antifascist struggle for democratization of the South Korean youths and students -- our brothers and fellow students sharing the same blood with us -- and will further raise their voices denouncing the unjust suppression of campuses by the United States and the South Korean rulers.

The South Korean youths and students, who are waging a just and patriotic struggle with the support of the people at home and abroad, will certainly be victorious.

[Signed] The LSWYK Central Committee, the Korean Student Committee

[Dated] 3 April 1985, Pyongyang

OVERSEAS MISSION CHIEFS MEETING IN SOUTH DENOUNCED

SK051432 Pyongyang Domestic Service in Korean 2153 GMT 3 Apr 85

[NODONG SINMUN 4 April commentary: "A Diplomatic Offensive by Those Who Have Been Driven Into A Corner"]

[Text] On 1 April, the South Korean puppet clique held a meeting of overseas diplomatic mission chiefs in Seoul. It is said that at this meeting, which will continue for 10 days, the puppets will discuss plans for carrying out diplomatic activities through dialogue and for hosting the Olympics and measures to improve relations with the Third World.

As shown by the agenda items, the current meeting is a link in maneuvers to conceal their ugly color as colonial stooges and fascist war maniacs, to beg for support from foreign countries, and to create an international environment conducive to the creation of two Koreas.

Appearing at the meeting, the puppet prime minister, while making absurd remarks that we have maneuvered for armed provocations, raved that diplomatic mission chiefs should positively carry out diplomatic activities to cope with this. The puppet foreign minister also made similar remarks on that day. Their boisterous remarks much more clearly revealed the aim of the puppets in holding a meeting of diplomatic mission chiefs.

As is widely known, the provocative military exercise called "Team Spirit-85," which the Chon Tu-hwan ring is staging with the U.S. imperialists on the largest scale in history, has been continuing for several months. Expressing great apprehension and concern about the extremely strained situation on the Korean peninsula because of the rascals' reckless kicking up of war exercise rackets, public opinion at home and abroad has raised voices calling for an immediate end to the war rackets. It is outrageous for the puppets to ignore this stark fact and to try to shift responsibility for heightening tension onto others while babbling about nonexistent provocations by someone.

The puppets are trying in vain to evade criminal responsibility for aggravating relations between the North and South and for leading the situation to the verge of war and to divert the voices of denunciation aimed at them. It is quite ridiculous for the puppets to advocate independent diplomacy at the meeting, and to clamorously babble about the improvement of relations with the Third World.

The Chon Tu-hwan ring is a group of colonial stooges of the U.S. imperialists, lacking originality and real power. It is not worthy of one with whom independent countries deal. Does the colonial stooge who moves under the manipulation of his U.S. imperialist masters have a sense of honor in babbling about independent diplomacy?

The puppets are the heinous enemies of the people of the Third World, and have historically challenged the latter's anti-imperialist cause for national liberation.

In recent years, the puppets, in closer collusion with the Israeli and South African aggressors, have challenged the anti-imperialist cause of the Arab and African peoples for independence. Everywhere they go throughout the world, they have violated the sovereignty of Third World countries at random and committed the criminal act of violating human rights.

In light of their status as colonial stooges and in view of the crimes they have committed, the puppets cannot associate with independent countries.

The nature of the diplomacy for which the puppet clique said it will do its best is crystal-clear. This diplomacy is a mendicant diplomacy designed to overcome isolation and rejection at home and abroad and to win support and is a diplomacy of espionage, subversion, and alienation following the U.S. imperialists' strategy for world conquest.

The puppets' actions indicate that they will become wilder to divide the country forever and to nestle up to the Third World as the stooges of the U.S. imperialists. It is disgraceful for them to try to win support from someone by seeking division and war only, running counter to the people's demand for reunification. The South Korean people will never tolerate the treacherous clique, which is seeking survival by perpetuating the division of the people.

NODONG SINMUN OBSERVES HUNGARIAN ANNIVERSARY

SK041110 Pyongyang KCNA in English 1026 GMT 4 Apr 85

[Text] Pyongyang April 4 (KCNA) -- Papers here today dedicate editorial articles to the 40th anniversary of the liberation of Hungary.

Noting that the liberation of Hungary was an epochal event which opened the road of socialist development before the Hungarian people, the editorial article of NODONG SINMUN says:

The Hungarian people are greeting the 40th anniversary of the liberation of the country with particular joy and in a seething atmosphere, because the 13th Congress of the Hungarian Socialist Workers' Party was successfully held on the eve of the holiday. The congress demonstrated the firm unity and cohesion of the party and the masses and showed the unshakable determination of the Hungarian people to advance unswervingly in response to the call of the party.

Since liberation, the Hungarian people under the leadership of the Hungarian Socialist Workers' Party have creditably defended the gains of the revolution, successfully smashing all the schemes of the domestic and foreign class enemies, and achieved great successes in socialist construction.

Over the past 40 years the Hungarian people have done away with the age-old backwardness and turned their country into a socialist industrial state with a developed agriculture. The Hungarian party and Government regard proletarian internationalism as the basic principle of their external activity and are actively striving for peace and security in Europe and friendship and solidarity with the progressive people of the world including the peoples of socialist countries. All the successes made by the Hungarian people in socialist construction are results of the correct leadership of the Hungarian Socialist Workers' Party headed by Comrade Janos Kadar.

The peoples of Korea and Hungary are class brothers and comrades-in-arms building socialism, one in the Far East and the other in Europe.

The friendly and cooperative relations between our two peoples entered a new higher stage with the official goodwill visit to the Hungarian People's Republic by the great leader Comrade Kim Il-song last year as an occasion. The fraternal friendship and unity between Korea and Hungary based on Marxism-Leninism and proletarian internationalism will be further consolidated and developed along the tide of history.

We firmly believe that the fraternal Hungarian people will achieve greater success in their future struggle to implement the decisions of the 13th congress of the party.

PRC'S WU XUEQIAN MEETS FOREIGN MINISTRY GROUP

SK051110 Pyongyang KCNA in English 1026 GMT 5 Apr 85

[Text] Beijing April 4 (KCNA) -- Wu Xueqian, state councillor and foreign minister of China, on April 4 met the DPRK Foreign Ministry friendship visiting group headed by Vice-Minister of Foreign Affairs Yi Won-kuk on a visit to China and arranged a party for it. Present on the occasion were assistant to the Chinese foreign minister Qi Huaiyuan and DPRK Ambassador to China Sin In-ha. A conversation took place in a friendly atmosphere.

Delegation Returns Home

SK051038 Pyongyang KCNA in English 1017 GMT 5 Apr 85

[Text] Pyongyang April 5 (KCNA) -- The Foreign Ministry friendship visiting group of our country headed by Yi Wonkuk, vice-minister of foreign affairs, returned home on April 5 by air after visiting China. It was met at the airport by Kim Chae-suk, vice-minister-of foreign affairs, and Zong Kewen, ambassador of China to our country.

PROVINCIAL WPK GROUP RETURNS FROM PRC VISIT

SK071124 Pyongyang KCNA in English 1118 GMT 7 Apr 85

[Text] Pyongyang April 7 (KCNA) -- The delegation of the Chagang Provincial Committee of the Workers' Party of Korea led by Yi Pong-kil, chief secretary of the committee, returned home Saturday by train after a visit to Jilin Province, China. It was met by Kang Myong-san, secretary of the Chagang Provincial Committee of the WPK, and Chang Ki-ho, vice-chairman of the Chagang Provincial People's Committee.

WPK WORKERS DELEGATION LEAVES FOR CUBA VISIT

SK060808 Pyongyang KCNA in English 0759 GMT 6 Apr 85

[Text] Pyongyang April 6 (KCNA) -- A party workers delegation of the Workers' Party of Korea headed by Choe Pom-ho, vice-director of a department of the WPK Central Committee, left Pyongyang on April 6 by air to visit Cuba. It was seen off at the airport by Cho Chong-ho, vice-director of a department of the WPK Central Committee, and Ricardo Danza Sigas, Cuban ambassador to our country.

SCIENTIFIC COOPERATION PLAN SIGNED WITH GDR

SK080024 Pyongyang KCNA in English 0008 GMT 8 Apr 85

[Text] Pyongyang April 8 (KCNA) -- The 1985-1986 working plan for cultural and scientific cooperation between the Governments of the Democratic People's Republic of Korea and the German Democratic Republic was signed in Pyongyang on April 7. Present at the signing ceremony on the DPRK side were O Mun-han, vice-chairman of the Committee for Cultural Relations With Foreign Countries, and officials concerned and on the GDR side were GDR Ambassador to the DPRK Karl-Heinz Kern and officials of the GDR Foreign Ministry.

KOREAN NATIONAL CLUB INAUGURATED IN MOSCOW

SK100415 Pyongyang KCNA in English 0339 GMT 10 Apr 85

[Text] Moscow April 8 (KCNA) -- The opening ceremony of a Korean National Club was held on April 8 with a large attendance at the moviemens' theatre in Moscow with the approach of the 12th World Youth and Students Festival. Displayed in the hall leading to the opening ceremony place were immortal classic works of the great leader President Kim Il-song and works of dear Comrade Kim Chong-il. Displayed there were photographs of the great leader President Kim Il-song visiting the Soviet Union and European socialist countries at the head of the party and state delegation and photographs showing successes made by our people and youth in socialist construction.

Speeches were made at the opening ceremony by Yi Yong-su, chairman of the Central Committee of the League of Socialist Working Youth of Korea and head of the delegation of the Korean National Preparatory Committee for the 12th World Youth and Students Festival, and V.V. Andrianov, secretary of the Central Committee of the Lenin Young Communist League of the Soviet Union.

In his speech the secretary said that the opening of the Korean National Club with the approach of the 12th World Youth and Students Festival, is another proof showing that the youth organizations of the two countries are ready to make everything possible for the promotion of understanding and more active cooperation in various domains among the youths. Referring to the friendly and cooperative relations between the youths of the two countries, he stressed:

The visit to the Soviet Union by the party and state delegation of the Democratic People's Republic of Korea led by Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president of the Democratic People's Republic of Korea, in May last year and agreements reached by the leaders of the Communist Party of the Soviet Union and the Workers' Party of Korea marked a new milestone on the road of further strengthening the friendship and cooperation between the Soviet and Korean peoples and youths.

Now, the youth movement is going on extensively in Korea with the approach of the festival.

Then, speech was made by J.C. Kennedy, coordinating secretary of the Standing Committee of the 12th World Youth and Students Festival. The opening ceremony was followed by an art performance of the Korean youth art troupe. That evening, the delegation of the Korean National Preparatory Committee for the 12th World Youth and Students Festival arranged a banquet on the opening of the Korean National Club.

KIM YONG-NAM DEPARTS FOR VISIT TO INDIA

SK100830 Pyongyang KCNA in English 0813 GMT 10 Apr 85

[Text] Pyongyang April 10 (KCNA) -- Vice-Premier and Foreign Minister Kim Yong-nam and his party left here today by plane for a visit to India. They were seen off at the airport by Vice-Premier Chong Chun-ki, Vice-Minister of Foreign Affairs Kim Chae-suk, Chinese Ambassador Zong Kewen, and an official of the Indian Embassy in Pyongyang.

SYRIAN MILITARY DELEGATION VISITS PYONGYANG

Meets With O Chin-u

SK100021 Pyongyang KCNA in English 0004 GMT 10 Apr 85

[Text] Pyongyang April 10 (KCNA) -- Comrade O Chin-u, minister of People's Armed Forces, on April 9 met and had a talk in a friendly atmosphere with the Syrian military delegation headed by Awad Bagh, vice-minister of defence of the Syrian Arab Republic, which paid a courtesy call on him. Present there were Col. General of the Korean People's Army Kim Kwang-chin and Syrian Ambassador to the DPRK Hani Habib.

Received by Kim Il-song

SK100825 Pyongyang KCNA in English 0810 GMT 10 Apr 85

[Text] Pyongyang April 10 (KCNA) -- The great leader President Kim Il-song on April 10 received the Syrian military delegation headed by Awad Bagh, vice-minister of national defence of the Syrian Arab Republic, on a visit to our country. On hand were Comrade O Chin-u, minister of People's Armed Forces, and Colonel General of the Korean People's Army Kim Kwang-chin. Hani Habib, Syrian ambassador extraordinary and plenipotentiary to Korea, was also present.

The head of the delegation conveyed to President Kim Il-song a personal letter of Hafiz al-Asad, president of the Syrian Arab Republic. President Kim Il-song conversed with the guests in a cordial and friendly atmosphere. The guests presented a gift of the Syrian president to President Kim Il-song.

MALTESE PRIME MINISTER MEETS GOVERNMENT GROUP

SK100412 Pyongyang KCNA in English 0336 GMT 10 Apr 85

[Text] Pyongyang April 10 (KCNA) -- Karmenu Mifsud Bonnici, prime minister of Malta, on April 4 met the government delegation of our country headed by Kim Yong-chae, minister of post and telecommunications, on a visit to Malta to attend the national day celebrations of Malta, according to a report.

The head of the delegation conveyed cordial regards of President Kim Il-song and Comrade Kim Chong-il to Prime Minister Karmenu Mifsud Bonnici. The prime minister expressed deep thanks for this and asked the head of the delegation to convey his sincere thanks and warm greetings to President Kim Il-song and Comrade Kim Chong-il. He said the friendly and cooperative relations forged between the two governments and peoples would develop as ever in the future. He stressed that the Maltese Government and people would actively strive for an early reunification of Korea. The talk proceeded in a friendly atmosphere.

KOREA HERALD ON CHON'S UPCOMING U.S. TRIP

SK092345 Seoul THE KOREA HERALD in English 10 Apr 85 p 4

[Editorial: "Korea-U.S. Summit"]

[Text] President Chon Tu-hwan's upcoming official visit to Washington April 25-27 will mark his third summit with President Ronald Reagan in a little over four years. In January 1981, President Chon was the first foreign head of state to visit President Reagan after the U.S. leader's inauguration.

President Reagan's symbolic visit to the Demilitarized Zone during his trip here in November 1983 came hard on the heels of two tragic incidents -- the Rangoon massacre perpetrated by north Korea and the Soviet downing of a KAL airliner.

Such top-level communication between Korea and the United States is indicative of how well relations have evolved between our two nations. The forthcoming visit by President Chon will be another significant occasion for laying a solid foundation for the steady development of the Seoul-Washington partnership on a long-term basis. Thus President Chon's tour of the United States will provide the two presidents with another opportunity to pledge their joint efforts to maintain stability in Northeast Asia -- an essential element for world peace.

Seoul and Washington now share the perception of the importance of the Korean peninsula in insuring peace and stability in this region. Central to that realization is deterring Communist north Korea from further military aggression.

The geopolitical importance of the Korean peninsula has amply been demonstrated. The struggle for influence here among major powers at the turn of the century eventually led to the Sino-Japan and Russo-Japanese wars. The 1950-53 Korean War also dragged almost a score of countries into the conflict.

Strenuous efforts are now under way in Northeast Asia to establish a new political order to insure stability. The Korean peninsula is the linchpin of East Asian stability. Sharing this perception, Seoul and Washington have bolstered their security and diplomatic cooperation. That the security of south Korea is vital to that of America is now an accepted fact.

Thus an economically and militarily viable south Korea is a requisite to keeping this region stable. Our efforts to maintain a dialogue with the Pyongyang regime so as to ease tension on the peninsula should also be seen in that context. The creation of a favorable international environment is also important to this end. No country should, by mistake or by intention, do anything to mislead north Korea into thinking it can conquer the south.

We cannot but be concerned over north Korea's recent bolstering of its offensive preparations near the DMZ. Gen. William Livsey, commander of the ROK-U.S. Combined Forces Command, noted that north Korea may be planning to use military force in a bid to scare some nations from participating in the 1988 Seoul Olympics. These facts make it all the more pressing for Seoul and Washington to reaffirm their security cooperation to achieve common goals. We are sure that the upcoming Korea-U.S. summit will further this mutual goal.

The Asian and Pacific-rim areas are becoming ever more important economically in the community of nations. President Reagan has often made this point and Korea is eager to make active contributions in building prosperity in the Pacific-basin zone.

Presidents Chon and Reagan will discuss the expansion of economic relations between their two countries in ways that will benefit both sides. Yet Korea still has a long way to go to become economically solid, despite the dynamism it has so far displayed.

Our unique situation of having to spend much for defense while pursuing economic growth needs to be taken into account. In the long run, Korea's economic growth will benefit America's export efforts. A future-oriented and open-minded attitude is needed.

MINISTER STRESSES GOVERNMENT-PRESS COOPERATION

SK091124 Seoul YONHAP in English 0724 GMT 9 Apr 85

[Text] Seoul, April 9 (YONHAP) -- South Korean Culture and Information Minister Yi Won-hong said Tuesday that cooperation between the press and the government is beneficial to society.

In a speech he delivered at a ceremony marking the nation's 29th newspaper day, Yi said that "the firmer and more cooperative press-government relations are the larger the benefits that accrue to society."

Pointing out that the purpose and the legitimacy of each institution is to realize the well-being of the nation, Yi said that the press and the government are not by their native, engaged in endless rivalry. Yi said that the press and the government should understand and cooperate with each other to achieve the common purpose of national well-being. Yi called on the press to stay away from any partisan interest as well as sensationalism. Yi also urged the mass media to emphasize fairness, rationality and morality in business management.

LEGAL NKDP-DKP MERGER TO MATERIALIZE IN JULY

SK092340 Seoul THE KOREA HERALD in English 10 Apr 85 p 1

[Text] A legal merger between the Democratic Korea Party and the New Korea Democratic Party [NKDP] may be materialized by July, said Cho Yun-hyong, president of the DKP, yesterday.

Cho told reporters that he intends to join the NKDP as early as possible. He said, "I will be able to enter the NKDP by July at the latest." The NKDP is to hold a national convention in that month.

He said he will try to persuade all remaining DKP members to join the NKDP with him. Twenty-nine of the 35 DKP legislators-elect recently defected to the NKDP. Cho will meet Yi Min-u, president of the NKDP, tomorrow to discuss the proposed merger.

PARTIES FAIL TO AGREE ON KIM TAE-CHUNG AMNESTY

SK092320 Seoul THE KOREA TIMES in English 10 Apr 85 p 1

[Text] The ruling and opposition parties failed yesterday to reach a conclusion on how to settle the opposition-demanded amnesty for Kim Tae-chung and other dissident politicians and the release of the so-called "conscientious" prisoners and imprisoned students. However, Yi Chong-chan, floor leader of the ruling Democratic Justice Party and his New Korea Democratic Party [NKDP] counterpart Kim Tong-yong said that there were some progress in the talks on the release of the prisoners.

In the meeting that lasted for more than four hours, the opposition party asserted that the amnesty should be granted at an early date "for a trouble-free operation of the 12th-term National Assembly." NDP [New Korea Democratic Party] floor leader Kim made it clear, however, that the demand was not a "prerequisite" to the inauguration of the new parliament, whose tenure will begin tomorrow. He told reporters, "I hope that the National Assembly will open as soon as possible with the ruling party's acceptance of our demand."

According to a joint announcement issued after the meeting, the ruling DJP urged the NDP to create "conditions" for the amnesty for the dissident politicians and the restoration of their civil rights.

In the meeting, the DJP proposed the formation of a four-member special committee in the parliament, to "study" the release of the prisoners, but the NDP called for "political solutions" on the issue before the opening of the parliament. In addition, the NDP insisted that if the release of the "conscientious" prisoners would be difficult, the government should set free at an early date the students who were involved in the boycott of the last general elections and held a sit-in demonstration at the NDP headquarters early this year. The two parties have fixed the list of 115 prisoners, including student activists, for the political negotiation.

DJP whip Yi said, "The ruling and the opposition parties will continue studying who will be released or not. For example, some of imprisoned students who have yet to stand trial cannot be released before the court sentence." "We can imagine that political parties recommend the government to conduct speedily the trials for imprisoned students in order to get an early release of them," he added. In similar previous cases, such as the raid on the DJP headquarters, involved students were given suspended sentences.

FRENCH PRIME MINISTER RETURNS TO PARIS 9 APR

SK011205 Seoul YONHAP in English 1134 GMT 9 Apr 85

[Text] Seoul, April 9 (OANA-YONHAP) -- French Prime Minister Laurent Fabius left here Tuesday for Paris after winding up his three-day official visit in South Korea.

While here, Fabius paid a courtesy call on President Chon Tu-hwan and held talks with his Korean counterpart, acting Prime Minister No Sin-yong. He also met with several Korean political and business leaders. The French premier conveyed to Chon a letter from French President Francois Mitterrand, inviting the Korean leader to visit France.

Fabius and No discussed a variety of issues pending between the two nations, including the possibility of France recognizing North Korean and bilateral economic cooperation. During the talks between the two prime ministers, Fabius made it clear that his government would not recognize North Korea unless South Korea first endorsed the recognition. Fabius, the first French premier to visit Seoul, was accompanied by an 86-member entourage, which included three cabinet ministers, two lawmakers, businessmen, and journalists.

FRANCE TO HELP PREPARE FOR 1988 OLYMPIAD

LD091445 Paris Domestic Service in French 1400 GMT 9 Apr 85

[Text] Sports Minister Alain Calman has just announced that France and South Korea are going to cooperate for the 88 Seoul Olympics and for the 92 games which Paris wants to organize.

Alain Calmat is accompanying Laurent Fabius on his visit to South Korea. He added that France will train Korean interpreters for the next games as French is an Olympic language.

KOREA TIMES CONCERNED ABOUT U.S TRADE RETALIATION

SK060039 Seoul THE KOREA TIMES in English 6 Apr 85 p 4

[Editorial: "U.S.-Japan Trade Feud"]

[Text] It is yet to be seen what sort of market-opening measures Japan will take to ease the renewed trade friction with the United States, which flared up after a Japanese announcement last week to increase by 25 percent its auto exports to the American market over the next year.

But, indications are that the trade dispute might persist for some time as Tokyo's official quarters said no "quick fix" would be offered in the forthcoming package of corrective measures, due to be disclosed next week, while Washington is engrossed in furors with the Congress endorsing tough retaliatory steps against the Japanese.

A common feature of the U.S.-Japan row is that both parties are accusing each other of protectionism, though plausible motivation and excuses are cited for taking such an action on each side.

While watching the development, we cannot but be seriously concerned about the probable spillover effect of the dispute -- more precisely, that of the American retaliatory steps -- on Korea's trade relations with the United States.

Washington has already been pressuring us to further open our market to American products and services. And one cannot preclude the possibility that, no matter how the trade friction with Japan develops, the Americans may attempt to apply similar threats to Korea, which is sometimes rashly called a "second Japan."

In this respect, some essential points must be made clear to distinguish the case of Korea from that of Japan.

First of all, Korea is more or less in the same boat with the United States in demanding Japan to open its market and drop trade barriers in light of the stark fact that Korea suffers from a chronic trade deficit with Japan, which last year reached over \$3 billion to register an aggregate total of nearly \$30 billion over the 1966-84 period.

As for Korea's trade surplus with the United States which marked \$3.6 billion last year, it should be stressed that the surplus was only a recent phenomenon which surfaced in 1982 after decades of marking deficits and thus has a precarious future.

While the 1984 figure amounts to less than one tenth of the Japanese surplus with the United States, Korea is beset by a poor international balance of payments ridden with sizable current-account deficits, as well as a heavy burden of foreign debts.

There is no need to comparing the magnitude of economic potential of Korea, an industrializing country, with that of Japan, the world's second largest economic power. Besides, Korea is burdened with spending no less than 6 percent of its GNP for national defense, serving as a vital bulwark of the free world's collective defense.

JAPAN URGED TO RECTIFY TRADE IMBALANCE

SK082307 Seoul THE KOREA TIMES in English 9 Apr 85 p 4

[Editorial: "Japan's Insincerity in Trade"]

[Text] We are dumbfounded to learn that, since a high-powered Japanese trade mission visited here last October, the amounts of contracts the Japanese have actually arranged to import Korean products have totalled only \$72.5 million.

At the time of the mission's visit here, it was reported that the Japanese were expected to make contracts to buy at least \$1 billion worth of Korean goods within half a year, although the figure was not specified by the 142-member Japanese delegation including many business tycoons.

The Japanese party, dubbed an "import promotion delegation," then noted that Japanese would conclude 1,960 cases of import contracts with Korean exporters in six months. But, our expectations on the Japanese mission have been frustrated now that the number of "feasible" contracts during the past six months was tallied at 113 including 22 certain to be signed, totaling to a negligible amount of \$72 million.

To begin with, it might be our folly to hope for much from the Japanese buying mission itself as the Japanese have been widely criticized by many world nations as sticking to their one-sided trade surplus with little substantial sincerity in meeting their trade partners' demands for reciprocal trade.

We are acutely concerned about what will be Japanese Prime Minister Yasuhiro Nakasone's upcoming policy measures to open up the Japanese market for foreign goods, particularly American products.

The Korean government was recently reported as having demanded Japan lower its tariffs on 23 items of sensitive manufactured and agro-fishery products, including staple fiber and seaweed, this year in a way to reduce the ever-growing trade deficit with Japan.

The nation's trade deficit with Japan since the Korea-Japan rapprochement in 1966 has exceeded \$30 billion, including \$3 billion last year alone. The aggregate deficit in trade with Japan accounts for two thirds of Korea's total outstanding foreign debts.

Japanese are urged again to take a sincere and positive attitude to rectify the trade imbalance without any delay. Also needed are our retaliatory steps to effectively pressure Japan to buy more Korean products, and the encouragement of the local production to substitute imports from Japan or a shift of major import sources from Japan to other countries, including the United States with which our trade is now in favor.

THAI PAPER REPORTS 'FIERCE FIGHTING' FOR PREY CHAN

BK100033 Bangkok BANGKOK POST in English 10 Apr 85 p 3

[Text] Aranyaprathet -- More Vietnamese troop reinforcements were yesterday poured into the battle at Prey Chan where the Khmer resistance and Vietnamese forces were locked in fierce fighting for the third consecutive day, Thai field military and resistance sources disclosed yesterday.

Sources said that the Son Sann forces under the command of Chea Chhut were still holding some parts of the camp and managed to blunt the Vietnamese thrust in spite of heavy artillery bombardment.

Yesterday's fighting broke out at around 6 a.m. and ended four hours later after a heavy downpour. The resistance forces yesterday said they suffered eight dead and 46 wounded during the three days of fighting. They also claimed that about 80 Vietnamese troops were killed and wounded.

In a separate incident, one Heng Samrin soldier had one of his legs blown off by a landmine as he tried to cross the Prom Mahot canal to Ban Snow Noi, seven kilometers northeast of this border district.

The wounded Heng Samrin trooper from the 4th Division was later helped by Thai Border Patrol policemen and rushed to a military hospital for medical treatment.

A day earlier in Ban Phan Suek, three BPP [Border Patrol Police] men were seriously injured when they stepped on a landmine believed planted by Vietnamese troops near the border.

The Burapha Task Force yesterday issued a warning to all patrol units and civilians to refrain from venturing close to the border, saying that the area was heavily mined by the Vietnamese to prevent Khmer resistance forces from slipping across into Kampuchea and also to prevent their own men from escaping to Thailand.

COMMENTARY CONDEMNS THAI 'WARMONGERING ACTS'

BK071120 Phnom Penh Domestic Service in Cambodian 1300 GMT 6 Apr 85

[Station commentary: "Statements Which Are of a Most Provocative and Warmongering Nature"]

[Text] On 25 and 27 March, the Foreign Ministry spokesmen of the SRV and PRK issued statements strongly condemning the warmongering acts of the Thai ruling circles.

Observers in Southeast Asia are clearly aware of Thailand's hostile activities against the three Indochinese countries. In addition to aid from Beijing and the U.S. imperialists, the Thai authorities have allowed the Pol Pot remnants to take refuge on their soil and have helped strengthen them for their activities against the PRK. Moreover, the Thai authorities have allowed their forces to assist the Pol Pot remnants by shelling Cambodian territory and violating Cambodian airspace and territorial waters.

Everyone knows that the Pol Pot remnants are the most vicious enemies of the Cambodian people. The sweep of the Pol Pot remnants' hideouts on Cambodian territory launched by the PRK Armed Forces and people, in close cooperation with the Vietnamese volunteer troops, was within the irrefutably legitimate rights of our country.

Any country would have done the same. Everyone knows that whenever our Armed Forces attack the Pol Pot remnants, Beijing and Bangkok always clamored that the PRK and Vietnam had invaded Thai territory. This is the reactionary nature of the warmongers. Whenever they want to commit aggression against any country, they always seek a pretext through all kinds of maneuvers. It is through this ambition that recently Thai Prime Minister Prem Tinsulanon and Deputy Commander of the Thai Army Thienchai Sirisamphan talked about eventual direct clashes between the Thai Armed Forces and the Vietnamese troops in Cambodia.

The PRK Foreign Ministry's statement stressed clearly that this intention of the Thai authorities is a criminal step and an open provocation and shows contempt for public opinion in Southeast Asia and the world, which has repeatedly called for the elimination of the Pol Pot clique to blaze the trail toward a negotiated solution to the situation in Cambodia and this region.

The Thai authorities should reconsider their activities in fostering the Pol Pot remnants during the past more than 6 years to see what have they gained. The Thai authorities have been supporting the murderers, whose hands are stained with the blood of Cambodian people, despite the fact that the world despises these murderers the most. The Thai authorities should know that at present the so-called CGDK is suffering from insoluble internal rifts and has been pursued and attacked by the PRK Armed Forces and people, in close cooperation with the Vietnamese volunteer troops, to the point that it no longer has even an inch of land to stand on. This clearly shows that the Thai authorities, in close collusion with Beijing, desire to maintain tension along the Cambodian-Thai border, thus worsening the regional situation.

The Thai authorities have repeatedly ordered their troops to invade Laos' three hamlets and rejected the three Indochinese countries' good-will proposals, including those for the establishment of a safe zone along the Cambodian-Thai border. The PRK Armed Forces and people, as well as the Vietnamese volunteer troops, have always respected Thailand's independence and territorial integrity and desire to coexist peacefully with neighboring countries. We will definitely not, however, allow any enemy to invade even an inch of our Cambodian territory. The Thai authorities' desire to send their troops to invade Cambodian territory is one such insane idea. The Thai authorities have not yet learned a lesson from their defeat when they sent troops to help the Thieu-Ky puppet clique in Saigon.

It is clear that, following the recent visit to Thailand by Chinese President Li Xiannian, the Thai authorities have intensified their criminal maneuvers to another degree. The Thai authorities' statements run totally counter to the peace solution in Southeast Asia and are impairing the trend toward dialogue desire by majority public opinion in the ASEAN countries. Such statements constitute a most dangerous move that the Thai authorities must consider carefully. Remember that those who sow the wind will reap the whirlwind.

We demand that the Thai authorities immediately end their hostile maneuvers and activities. They should thoroughly consider before taking any action; otherwise they will certainly and unavoidably face bad consequences. No reactionary force can hinder the advance of the PRK. No one can revive the so-called CGDK. It has been apparent through the past more than 6 years that the more Beijing tries to help, the more bitter the CGDK's defeat.

SON SANN COMMENTS ON PHNOM PENH PROPOSALS

PM091513 Paris LE MONDE in French 7-8 Apr 85 p 5

[Unattributed report: "Son Sann Rejects Phnom Penh's Proposals"]

[Text] While passing through Paris en route to Washington Friday 5 April, Khmer People's National Liberation Front Chairman Son Sann urged the maintenance of the Khmer nationalist coalition hostile to the pro-Vietnamese government in Phnom Penh until all Vietnamese troops have been withdrawn from Cambodia. That statement was a reply to Hun Sen, prime minister of the Phnom Penh government, who said he is "still prepared" to meet with Prince Sihanouk provided he dissociates himself from the Khmer Rouge who also belong to the nationalist coalition.

Receiving a group of journalists, including our correspondent James Burnet, in Phnom Penh this week, Hun Sen explained his government's strategy in the Cambodian crisis and the broad outlines of his policy of reconciliation toward Prince Sihanouk and his prime minister, Son Sann. Expressing the view that the Cambodian crisis may solve itself in the next 3 years, he warned the prince: "The 1985-1987 period is very important for Sihanouk as regards the choice he makes. If he wants to return after the Cambodian problem has resolved itself he will be regarded as a prisoner of war." Once that deadline has passed, the situation "will be more than irreversible." "Should there be no political solution, we are determined not to make any concession, however small, to the other two components" (of the coalition), he said.

Referring to the future of the existing political regime in Phnom Penh, should Prince Sihanouk and Son Sann return, Hun Sen said that "one individual out of 7 million Cambodians does not have the right to ask for a political and economic change of regime." "Nonetheless," he added, "we do not reject the possibility of a discussion to see what we could best do. The door is closed but not locked and can still be opened."

In Paris, Son Sann commented on these statements, "The Vietnamese are trying to divide us, to break up the coalition government," he said. "I will make every effort to ensure that the coalition government lasts until all the Vietnamese troops have been withdrawn from Cambodia." Son Sann regards Hanoi's current diplomatic approach as "a maneuver" which the "Vietnamese repeat each year to make people think they are reasonable people." Finally, he does not think that the "apparent thaw" between Beijing and Moscow would be conducted "at the Cambodians' expense."

U.S. FINANCIAL AID TO 'REACTIONARIES' NOTED

BK080349 Phnom Penh Domestic Service in Cambodian 1300 GMT 7 Apr 85

[Text] According to a report by the spokesman for the U.S. secretary of state, the Reagan government has decided to increase economic and financial assistance to Cambodian reactionaries in addition to the military assistance already provided by China, Thailand, and the ASEAN countries.

According to political observers, this act by the U.S. imperialists and the ASEAN countries clearly shows that ASEAN and the United States have colluded to carry out dark maneuvers to oppose the Cambodian people's rebirth and to increase tension in Southeast Asia.

CHEA SOTH WELCOMES POLISH PARTY DELEGATION

BK081304 Phnom Penh SPK in English 1121 GMT 8 Apr 85

[Text] Phnom Penh SPK April 8 -- A delegation of the Polish United Workers' Party headed by Marian Wozniak, Politburo [as received] of the party Central Committee and first secretary of the Warsaw party committee, arrived in Phnom Penh Monday for an official visit to Kampuchea.

It was welcomed at Pochentong Airport by Chea Soth, Politburo member of the PRPK Central Committee, vice president of the Council of Ministers and minister of planning; Sim Ka, member of the Central Committee and minister of the state inspectorate; Prach Sun, vice president of the Commission for External Relations of the PRPK Central Committee, and Polish Ambassador Ludwik Kockowski. On the same day the delegation laid a wreath at the monument for the death [as received] in downtown Phnom Penh.

DITH MOUNTY LEADS DELEGATION TO BURKINA FASO

BK051434 Phnom Penh SPK in English 1143 GMT 5 Apr 85

[Text] Phnom Penh SPK April 5 -- A Kampuchean delegation led by Dith Mounty, special envoy of the Government of the People's Republic of Kampuchea, paid an official friendship visit to the Republic of Burkina Faso from March 22 to 29. While in Ouagadougou the Kampuchean delegation, guest of the Government of Bourkina Faso, had talks with Basile Laetare Guissou, minister for external relations, informed of the real situation in Indochina and Southeast Asia, particularly the great successes obtained by the PRK -- the successes which confirm the irreversible situation in Kampuchea.

For his part, Basile Laetare Guissou criticized the unrealistic points of view of the Western ruling circles vis-a-vis the presence of Vietnamese volunteers in Kampuchea and the Soviet Army in Afghanistan, which presence, he said, was at the call of those countries.

The Kampuchean special envoy was received by Thomas Sankara, president of the National Council of the Revolution and head of state of Burkina Faso, to whom he gave a letter from President Heng Samrin, Thomas Sankara highly valued the PRK's successes and stressed the necessity to establish relations between the two countries in the near future.

The Kampuchean delegation also had talks with Pierre Ouedraogo, general secretary of the National Council for the Defense of the Revolution. The two sides compared notes on the tasks and role of mass organization and the consolidation of the leading role of party. Dith Mounty also had an interview with the radio and television of Burkina Faso on the reality in Kampuchea.

HENG SAMRIN CHAIRS COUNCIL OF STATE MEETING

BK100503 Phnom Penh SPK in French 0408 GMT 10 Apr 85

[Text] Phnom Penh, 10 Apr (SPK) -- The PRK Council of State held an ordinary meeting on 5 April in the presence of its chairman, Heng Samrin.

The meeting heard a report on the awarding of the Labor Order, Second Class, to the Association of Cambodian Revolutionary Women and adopted two new nominations: the president of the people's committee of Svay Rieng Province and the first deputy foreign minister. The meeting also examined a request by the National Assembly on the standardization of Cambodian spelling and other issues.

VONADK CLAIMS SRV DIVISION COMMANDER KILLED

BK090247 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 8 Apr 85

[Text] Our forces ambushed two Vietnamese trucks moving from Toek Sap to Bavel on Sisophon-South of Route 5 battlefield [Battambang Province] on 2 April. We set a truck ablaze. Five Vietnamese soldiers were killed and nine wounded. The other truck hit our landmine east of Phum Thmei. Six Vietnamese on the truck, including a division commander, were killed.

SIHANOUK AIDE REJECTS HUN SEN'S TALK PROPOSAL

BK061046 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 4 Apr 85

[Text] In Beijing on 2 April, Samdech Norodom Sihanouk's aide rejected Hun Sen's conditional proposal for talks with Samdech Sihanouk, saying that it was nothing new. The aide also said that this proposal is aimed at undermining the CGDK.

8 MOUNG-PURSAT VILLAGES 'LIBERATED' 4 APRIL

BK090251 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 8 Apr 85

[Text] Our forces conducted a sweeping operation against Vietnamese soldiers along the Moug River on Moug-Pursat battlefield on 4 April. We killed or wounded some Vietnamese soldiers and liberated eight villages: Phum (Prek En), Kon K'ek Ti Muoy, Kon K'ek Ti Pi, Prey Trom Ti Muoy, Prey Trom Ti Pi, (Anlong Tep), Robos Mongkol, and Kuoy Chik Dei.

THAI CLAIM OF SOLVING 3-VILLAGES ISSUE DENOUNCED

BK070958 Vientiane Domestic Service in Lao 1400 GMT 4 Apr 85

[Unattributed commentary: "What Do the Thai Ultrarightist Reactionaries Want?"]

[Text] To mislead and hoodwink the Thai people and all peace- and justice-loving people in the world, the ultrarightist reactionaries in the Thai ruling circles have repeatedly claimed that all Thai troops have been withdrawn from the three villages and that the problem of the three villages has been settled. Their aim is to cover up their long-standing dark design to occupy some peaks near the three villages to strengthen their position in the area so that they could, if necessary, launch additional attacks against the three Lao villages. However, the truth is the truth. Presently, Thai soldiers have not yet been totally withdrawn from Lao territory in the vicinity of the three villages. They have not yet returned to their native villages the Lao inhabitants abducted to Thailand. They have refused to recognize Lao sovereignty over the three villages, and they have rejected the Lao side's proposal to resume Lao-Thai negotiations to settle the problem once and for all.

More seriously and arrogantly still, the ultrarightist reactionaries in the Thai ruling circles have not only refused to respond to the good intentions of the Lao side, but have also resorted to frequent artillery shellings and to sending soldiers to attack and spy on the three villages. For instance, between 25 March and 3 April 1985 the Thai Armed Forces used assorted artillery pieces to shell the three villages and continued to send armed bands to conduct espionage missions and armed provocations against the Lao regional forces stationed in the area.

These acts of the ultrarightist reactionary armed forces of the Thai ruling circles have starkly exposed their dark design and are a slap in the face of certain high-level Thai officials who have often claimed that the problem of the three villages has already been settled and so forth. Such a deceitful statement cannot cover up their depraved acts. On the contrary, it exposes their true nature to the Thai people and to peace- and justice-loving people throughout the world. Another ridiculous thing is that, while clamorously alleging that the Vietnamese volunteer forces in Cambodia have encroached on Thai sovereignty, they themselves are openly encroaching upon the sovereignty of other countries. One wonders whether the acts of the Thai Armed Forces in occupying Lao territory, sending men to attack and to conduct espionage and provocative attacks, and firing assorted artillery pieces at Lao territory in the vicinity of the three Lao villages at whim are correct. Aren't such acts an open encroachment on Lao sovereignty? They are not at all ashamed of alleging that other people have encroached on their sovereignty, while they themselves openly encroach on Lao sovereignty. Their acts are those of ultrarightist reactionaries following in the footsteps of the pan-Thaists and are carried out of the instructions and through the manipulation of the Beijing big-nation expansionists-hegemonists. In doing so, what do the ultrarightist reactionaries in the Thai ruling circles expect? Do they think that they can do whatever they please? Previous lessons have taught them that the Lao people in the current era cannot afford to allow the aggressors to do anything they want. If the ultrarightist reactionaries in the Thai ruling circles have not learned from their painful lessons and are persisting to walk obstinately along the new adventurous path, they will certainly be more shamefully defeated and will be held solely responsible for all the serious consequences that arise.

PARTY-STATE CONTROL DELEGATION RETURNS FROM SRV

BK051143 Vientiane KPL in English 0913 GMT 5 Apr 85

[Text] Vientiane, April 5 (KPL) -- A delegation of the Party and State Control Committee of the LPRP CC and the Council of Ministers led by Maichantan Sengmani, secretary of the LPRP CC, head of the committee, returned here on April 4 after a ten-day visit to Vietnam at the invitation of the Communist Party of Vietnam CC. The delegation was met at Wattai Airport by Mrs Loun, member of the LPRP CC, deputy-head of the Party and State Control Committee, and other senior officials. Nguyen Van Bich, Vietnamese charge d'affaires, was also on hand.

DELEGATION RETURNS FROM HUNGARIAN PARTY CONGRESS

BK071354 Vientiane Domestic Service in Lao 1400 GMT 6 Apr 85

[Text] An LPRP delegation led by Comrade Phoumi Vongvichit, member of the party Central Committee Political Bureau and vice chairman of the Council of Ministers, returned to Vientiane on the morning of 6 April after attending the 13th Congress of the Hungarian socialist Workers Party [MSZMP] in Budapest, capital of the Hungarian People's Republic, on the invitation of the MSZMP Central Committee. The delegation was welcomed upon its arrival at Wattai Airport by Comrade Phoun Sipaseut, member of the party Central Committee Political Bureau, vice chairman of the Council of Ministers, and minister of foreign affairs, and Comrade Khamphai Boupha, member of the party Central Committee and first deputy minister of foreign affairs, along with other deputy ministers and a number of cadres from various branches. Also on hand to welcome Comrade Phoumi Vongvichit and his delegation at the airport was Rosta Laszlo, ambassador extraordinary and plenipotentiary of the Hungarian People's Republic of Laos.

SECURITY OFFICIAL ON INSURGENT ACTIVITIES

BK080912 Bangkok Domestic Service in Thai 0000 GMT 8 Apr 85

[Text] Internal Security Operations Command [ISOC] Chief of Staff General Banchop Bunnak has reported on the communist insurgency situation. He said officials of communist terrorist committees and leaders of the communist terrorist units in Udon Thani, Chaiyaphum, and Khon Kaen Provinces met in early March to map out a policy aimed at persuading former senior communist terrorists who had defected to the government to rejoin the movement. Four communists in Nakhon Ratchasima and Buriram surrendered to the authorities. Two communist arms caches were discovered in Na Kae District, Nakhon Phanom, and in Dong Luang District, Mukdahan Province. Some weapons belonging to communist terrorists were turned over by local people in Phu Kradung District, Loei Province.

In some areas under the jurisdiction of the 3d ISOC Region, communist terrorists tried to collect information and food supplies. Four communist terrorists surrendered to the government in Lampang Province. A communist terrorist arms cache was found in Pua District, Nan Province.

In the area under jurisdiction of the 4th ISOC Region, 12 communist terrorists surrendered to the government. The local authorities captured three communist terrorists and clashed with them twice in the central district of Trang Province. There were no major communist terrorist activities in the area under jurisdiction of the 1st ISOC Region. Communist terrorists of Huai Saba camp tried to coordinate their activities in Kui Buri District, Prachuap Khirikhan Province with communist terrorists in Bangkok.

COMMENTARY ON IMPROVED COOPERATION WITH MALAYSIA

BK070942 Bangkok Domestic Service in English 0000 GMT 7 Apr 85

["News in Perspective" feature]

[Text] Prior to the Malaysian foreign minister's address recently made in Brunei during his visit to that country pledging Malaysia's assistance to Thailand if the Vietnamese incursions along the Thai-Kampuchea border become a threat to the security of Malaysia, the commander of Malaysia's 6th Brigade, General Zainal bin Haji Jawati, who is in charge of border security, had said whatever problem affects the security of Thailand also threatens the security of Malaysia. The Malaysian general was referring to the separatist rebels active in some areas of southern Thailand. To this, Thai 4th Army Deputy Commander Major General Panya Sikgsakda reacted that this must be taken as a good sign from the Malaysian side.

It is a good omen of Thai and Malaysian cooperation in tackling the insurgency problem in the south. Zainal's comment is particularly praiseworthy because under the 1977 border agreement, the two countries call for cooperation in their campaign against the Communist Party of Malaya whom Thailand and Malaysia have long regarded as their common enemy. Recently there have been indications that Malaysian authorities are becoming more cooperative in efforts to track down the terrorists who use Malaysian territory as their sanctuaries. There also have been signs which indicate that Kuala Lumpur may be undergoing major changes in its handling of security problems along the common border.

The pledge which the Malaysian foreign minister had recently made regarding the unhappy situation along the Thai-Kampuchean border, which is regarded as a possible cause of Malaysia's insecurity, is also taken as a good omen for Thai and Malaysian cooperation in tackling the Vietnamese problem in the region.

NGUYEN CO THACH INTERVIEWED ON TROOP WITHDRAWAL

PM091433 Paris LE MONDE in French 6 Apr 85 p 4

[Interview with Vietnamese Foreign Minister Nguyen Co Thach by James Burnet in Hanoi; date not given]

[Text] Hanoi -- Is it a rotation or the final return of Vietnamese troops to their home bases? In an interview granted to LE MONDE and the Central Press Agency on the eve of the fourth withdrawal, Vietnamese Foreign Minister Nguyen Co Thach explained that it was not a "question of propaganda, but a strategic question."

"Why are the Thais, Chinese, and others saying that it is a rotation? Because it is too dangerous for them if we are able to withdraw our troops annually," he said. "In this way, there will no longer be a Cambodian problem in 5 years' time. Whereas if we are not able to withdraw our troops, we are finished, and will remain in Cambodia like the Americans in the Western countries or Japan." The hypothesis of a rotation of troops, the Vietnamese foreign minister also said, means that Vietnam is becoming "bogged down" in Cambodia and means a "defeat for the Vietnamese." Beijing's strategy, he added, "is either to force us to withdraw immediately and allow the return of Pol Pot's forces or to ensure that we are bogged down in Cambodia to bleed us dry. The fact that we are able to avoid both extremes is proven by our ability to carry out these withdrawals."

According to Mr Thach, the total number of Vietnamese troops who will have left Cambodia after this fourth withdrawal represents one-third of the troops sent in in 1979 during the intervention against Pol Pot's regime.

Was the "destruction of bases" on the Cambodian-Thai border during this dry season a factor in this new withdrawal? According to the Vietnamese minister, such an explanation is incomplete. "You have to consider," he added, "the percentage of Heng Samrin government troops participating in those operations. This is the decisive point, not the number of guerrilla bases captured. They formed 50 percent of the troops engaged in the operations. The important thing is the efficiency of the Phnom Penh army." Without giving any further details Mr Thach said that "the next rainy season," the period generally favorable to the guerrillas, "will be the real test."

In addition, he thinks the Cambodian problem "will solve itself in 3 years' time." "The year 1987 will be very important. That year," he added, "we will be able to withdraw at least half of our troops. In 1990 it will be two thirds -- and, in my view, we can withdraw more than half of our troops. [passage as published] The year 1987 means something. The Cambodian problem will solve itself." "But," he explained, "this is not an ultimatum" to the parties involved in the conflict. "Latecomers are always in the wrong and those who do not come at all are even more in the wrong than latecomers."

"Sihanouk Is Playing a Cunning Game"

On the other hand, Mr Thach issued a warning to Prince Norodom Sihanouk, president of the Coalition Government of Democratic Kampuchea, after the failure to hold a meeting in Paris in December between the former Cambodian head of state and the Phnom Penh government chief Hun Sen. "I regarded that failure as a maneuver by Sihanouk," he said. "Sihanouk always plays on conflicts. Sihanouk proposed that meeting. It was not Hun Sen, nor [French External Relations Minister] Claude Cheysson, nor I. That meeting was arranged. Sihanouk then discussed it with the Chinese.

"He knew that the Chinese and Pol Pot would refuse. Why did he do it? To tell them that he had a card. So they must make concessions. From that point Sihanouk would negotiate with Hun Sen to obtain further concessions. That is how he plays. It is Sihanouk's usual game. However, it is dangerous for him. That is why we decided to attack Sihanouk's bases. If Sihanouk continues to play a cunning game, he will lose. He no longer has time on his side."

In short, the Vietnamese foreign minister displayed cautious optimism about developments in the Cambodian crisis, especially since Mr Thach thinks there is a "thaw" in Sino-Soviet relations. "But we must still wait for action," he added. "We have had experience with the Chinese. When you go to the circus, you must not pay too much attention to the hand the conjurer moves. Rather, you must concentrate on the one which does not move. It is the same thing with China. You must not pay too much attention to the noise, but rather to things which are not announced. We can clearly see that the Sino-Soviet thaw will create a favorable atmosphere in international relations, in Southeast Asia too." However, the Vietnamese minister rejected the hypothesis of the two superpowers settling any conflict. "Throughout Indochina's history," he stressed, "it is the battlefield which has decided and not the superpowers. The second factor is that we are independent."

NHAN DAN COMMENTARY ON 'HOSTILE' THAI ACTIVITIES

OW061127 Hanoi VNA in English 0704 GMT 6 Apr 85

[Text] Hanoi VNA April 6 -- The ultra-rightists in the Bangkok ruling circles, "shall have to bear all the consequences of their hostile activities towards the Indochinese countries", warns the Vietnamese national daily in a commentary today.

The paper recalls that in the week ending March 28, Thai 1.19 [as received] F-5 and A-37 aircraft forty four times overflowed the area of Hills 547, Ampil (Dang Kun) and Kip Poipet, inside Kampuchean territory.

On the ground, it says, Thailand-based heavy artillery 34 times fired on the area north of Hills 581 and 547 (Preah Vihear Province), north, northwest and southwest of Dang Kun (Battambang Province) and Smatdeng (Pursat) in Kampuchea.

From 4:45 to 7 p.m. on April 3, Thai troops fired intensively on the three Lao hamlets of Mai, Kang, and Savang of Paklai District, Sayaboury Province, causing heavy losses in lives and property. Thai soldiers infiltrated into the three Lao hamlets for spying and sabotage activities, but they were driven back to Thailand by the local armed forces.

NHAN DAN condemns the Bangkok ultra-rightists for "continuing to tail after the Beijing expansionists in increasing confrontation and opposing the trend towards peaceful negotiation".

"The Vietnamese people will always stand side by side with the Lao and Kampuchean peoples, resolved to foil all wicked schemes and moves of the enemies", the paper concludes.

U.S. HOUSE COMMITTEE CAMBODIAN AID VOTE 'ERRONEOUS'

BK071244 Hanoi International Service in English 1000 GMT 7 Apr 85

[Station commentary]

[Text] The U.S. House Foreign Affairs Committee recently took an extremely erroneous move by adopting a draft proposing that the Congress grant a \$5-million military aid to the Khmer reactionary groups. This move runs counter to the recent statements by high-ranking American officials that the United States would not give military aid to the Khmer reactionaries.

This decision shows that the U.S. House Foreign Affairs Committee has forgotten and refused to draw the Vietnamese lesson and has deliberately interfered in the internal affairs of the Indochinese countries and Southeast Asia as a whole.

THE CHRISTIAN SCIENCE MONITOR on 29 March said that even several American diplomats also agree that further U.S. involvement in Kampuchea is harmful. The magazine added that a number of observers in the United States share the same opinion that the U.S. support for the Indochinese ally has never assured the victory for that ally.

This decision of the U.S. House Foreign Affairs Committee only lends a hand to Beijing and other reactionary forces in the Thai ruling circles against the Kampuchean and other Indochinese peoples. It only aggravates the tension in the region and sabotages the trend of dialogue aimed at seeking a correct solution to the regional problems.

The unswerving stand of the Kampuchean people, as well as of the Indochinese countries, is to strive for peace, stability, and cooperation among countries in the region. However, the Indochinese peoples will do their utmost to defend their revolutionary gains, their peaceful life, and happiness. The decision to grant a \$5-million military aid to Sihanouk and Son Sann by the U.S. House Foreign Affairs Committee in the present situation is an adventurous action, and it only pours more oil on the flame.

QUAN DOI NHAN DAN ON NEW SITUATION IN CAMBODIA

OW030819 Hanoi Domestic Service in Vietnamese 1000 GMT 2 Apr 85

[From the press review]

[Text] Today's QUAN DOI NHAN DAN carries an editorial entitled: "New Developmental Step in the Combat Posture of the Cambodian Revolution."

After exposing the schemes against the Cambodian and Indochinese revolutions by the Beijing expansionists, the imperialist forces, and the various types of reactionaries in the region, and highlighting the significance of the fourth partial withdrawal of Vietnamese volunteer troops from Cambodia, the editorial says in part:

While a fair and rational solution on the Cambodian situation has not been achieved, the Vietnamese volunteer troops still need to maintain a presence in that country so as to continue to accomplish their internationalist obligations and, together with Cambodian Army and people, to heighten vigilance, smash in time all the adventurous acts of the enemy, firmly defend the revolutionary gains of the Cambodian revolution, and make positive contributions to preserving peace in Indochina and the rest of Southeast Asia.

Eliminating hostility and building Southeast Asia into a zone of peace, stability, cooperation, and friendship on the basis of respect for the independence, sovereignty, and security of each country is the correct, good-willed foreign policy of Vietnam and the other Indochinese countries. We are determined to do our best to attain those noble objectives.

PAPERS REPORT MILITARY DELEGATION VISIT TO INDIA

OW061923 Hanoi Domestic Service in Vietnamese 1000 GMT 5 Apr 85

[From the press review]

[Text] Dear friends: In the international column, today's NHAN DAN and QUAN DOI NHAN DAN carry a report by Comrade Thanh Tin, NHAN DAN'S special correspondent, on our country's military delegations', led by Senior General Van Tien Dung, splendid return from its friendship visit to India.

The article says: During the meetings between the Vietnamese and Indian delegations, both sides talked much about the growing new trends in the world and in the entire region: The trend toward total victory of the national liberation movement; the trend of the dynamic Nonaligned Movement -- of which India is the chairman and Vietnam a member -- unceasingly affirming its positive role in the international political life; the trend toward disintegration and complete elimination of the Khmer Rouge that Beijing fosters and directs; the trend toward Indochina-ASEAN dialogue aimed at building a zone of peace, stability, and cooperation that benefits every country in the region, even before a political solution in Cambodia is achieved.

During the visit, New Delhi newspapers have repeatedly used the word "strategic": An important rallying of forces of strategic significance; Indian-Vietnamese friendship is of momentous strategic importance; strategic links for peace and progress; strategic relationship being elevated to a new level. This militant friendship will endure, because it is the friendship of two peoples sharing a past in bondage who rose up to win back their independence and freedom. Today, we have dangerous common enemies. By having mutual trust and strengthening relations between the two peoples and two armies on the basis of the noble objectives of the times, we will further enhance our strength.

Our friends had a profound understanding of Vietnam, which was further deepened when they met directly with us in a joyful atmosphere and listened intently and enthusiastically to our discussions about our people's fight against the Americans and expansionists. They sincerely shared our joy in our celebration of the 10th anniversary of the South, and were further moved to know that our military delegation members had been in direct commanding positions in our Army's major military campaigns, especially the historic Ho Chi Minh military campaign 10 years ago.

EDITORIAL ON DEFENSE DUTY, LOCAL MILITARY TASKS

BK080954 Hanoi NHAN DAN in Vietnamese 6 Mar 85 p 1

[Editorial: "Satisfactorily Carry out National Defense Duty and Local Military Task"]

[Text] The national defense duty and the local military task have developed successfully in several respects and have made a considerable contribution to developing the Armed Forces, consolidating national defense, and countering the multifaceted war of sabotage and aggression by the Chinese expansionists-hegemonists.

The tasks of building and defending the socialist homeland are posing many heavy duties and requirements that demand that the national defense duty and the local military task be vigorously changed and aimed primarily at strengthening defense positions and conducting the people's warfare along the border. Under all circumstances, localities along the border, including villages, townships, state farms, state forests, and so forth, must ensure good combat, continuous production, and satisfactory rear services on the spot in case of fighting and must implement well all civil defense measures to minimize losses in case of any enemy attack. The 31 districts and townships along the northern border must be the models in building strong and firm military fortresses. Every step of progress in building the economy is a step in increasing national defense potential, creating new positions and new force, and ensuring victory over the enemy in all circumstances.

In order to serve as a core in the militarization and armament of all the people and in conducting the people's warfare to defend the country, no matter when and where -- along the border; on islands; or in cities, the countryside, agencies, factories, state farms, or project sites -- we must emphasize the development of the local armed forces, including militia, self-defense, and local forces. The militia and self-defense forces, which are the people's armed forces and the strategic force of the people's warfare, should be strongly and broadly developed on the proper scale. The local force should be well trained in all tactical forms of combined arms and independent combat. It should know how to guide the militia and self-defense forces in both construction and combat. It must be capable of coordinating combat with the regular Army troops and of motivating the masses, especially the people of all nationalities.

All party committees, local authorities, and sectors at all levels should be concerned with and provide close guidance in the development of local forces, the drafting of youths, and the building of reserve forces for mobilization, which are all very important tasks. All the tasks -- from educating the people on national defense duty, conducting general military training in schools, and organizing physical training for youths to satisfactorily implementing Army rear service policies and the military obligation law in a just and reasonable manner -- demand that cadres of all ranks -- especially local military cadres -- and sectors at all levels have a high sense of responsibility and good organizational ability.

One of the vital conditions for successfully implementing the national defense duty and the local military task is to perfect the consolidation of the local military agencies in provinces (cities) and districts (townships) both quantitatively and qualitatively to ensure the satisfactory fulfillment of the two basic functions of serving as effective advisers to the local party committee and administration on military affairs and of simultaneously commanding well the local armed forces. As a result, the military agencies of provinces (cities) and districts (townships) should be promptly perfected in terms of staff organization so that their personnel can be quantitatively and qualitatively relevant to peace or war; have abilities pertinent to their assigned duties; possess a good pattern of behavior toward their staff duties suitable to their campaign and tactical levels; and be able to operate in line with the regular Army systems and to formulate long-term projects, plans, and dynamic professional and scientific programs suitable to the local characteristics.

The building of all-people national defense is progressing in a much more fruitful and complicated manner than before. The people's warfare to defend the socialist homeland is characterized by its increasingly higher requirements involving all the people, all the domains, and modernization. The situation along the Sino-Vietnamese border has recently become increasingly tense because of Beijing's acts of war escalation and aggression. This situation demands that we must develop and perfect the system of party leadership, the people's collective mastery, and the state management of local military tasks in which the party leadership is the most decisive factor to implement successfully all national defense duties and local military tasks.

AUSTRALIAHAYDEN SAYS USSR SEEKS ADVANTAGE IN ARMS FREEZE

BK091325 Melbourne Overseas Service in English 1230 GMT 9 Apr 85

[Text] The minister for foreign affairs, Mr Hayden, has joined the United States in playing down the Soviet Union's proposal for a freeze on nuclear arms. Mr Hayden issued a statement in Canberra tonight saying, while the proposal had strong appeal, it was unfortunate that it seemed more designed for technical advantage in the Geneva arms control talks than establishing effective arms control speedily.

Mr Hayden said the specific suggestion of a freeze on research, deployment, and testing of certain space capabilities, for example, came at a time when the Soviet Union had already tested its antisatellite capabilities several times.

The Australian minister added that this left the understandable suspicion that the Soviet Union's proposal was mostly designed to prevent the United States from acquiring a matching capability.

BEAZLEY INTERVIEWED ON NEW ZEALAND DEFENSE TIES

BK091228 Melbourne Overseas Service in English 1110 GMT 9 Apr 85

[From the "Australian Insight" program moderated by Margaret Jollow]

[Text] Australia's defense minister, Mr Kim Beazley, says the bilateral defense arrangements with New Zealand have been strengthened following talks there last week with his New Zealand counterpart, Mr O'Flynn. The new, but stronger, bilateral relation has arisen from the virtual dissolution of the tripartite ANZUS alliance linking Australia, New Zealand, and the United States. Washington refuses to continue its defense arrangements with New Zealand while the latter bans American nuclear-powered or nuclear-armed warships from New Zealand ports.

The Hawke Labor government has expressed grave concern at the breakdown of ANZUS, but it has repeatedly rejected the idea that it should intervene in the dispute between its two allies. Instead the emphasis has been on strengthening Australia's bilateral relations with both countries. In Canberra (Pru Gaard) asks Mr Beazley if he told the New Zealanders that the only way out of the impasse over ANZUS was for them to back down on the issue of nuclear warships.

[Begin recording] [Beazley] We did not discuss the nuclear ships issue at great length. They pointed out their position, we pointed out ours. The basic purpose of my visit was to discuss bilateral defense relationship between Australia and New Zealand.

[(Gaard)] Well, how would you describe the bilateral arrangement you are forging with New Zealand?

[Beazley] Before I went there, they were very strong. We are deeply integrated -- our defense forces -- and they remain strong, and there will be some degree of increased activity particularly in the exercise area and hopefully down the line on things like commonality of equipment, joint production arrangements, and the like. So, I guess that what happened over the 3-or 4-day period when I visited New Zealand was that a strong bilateral relationship remains strong and has strengthened slightly.

[(Gaard)] To strengthen, does not it make it appear that you are condoning New Zealand's stand?

[Beazley] No, I do not think so. I think that it is understood by the United States. And it certainly has been a long-standing position between us -- between Australia and New Zealand -- that we do have a bilateral relationship of some considerable strength. There had been no interest at all -- a Western interest or whatever -- in seeing that diminished in any way, shape, or form in the South Pacific for a whole variety of reasons. But that, I think, is a well understood position with the United States, and that is all that is substantially being maintained.

[(Gaard)] Does it mean that you are subsidizing the New Zealand security arrangements now?

[Beazley] No, I do not believe so. I think there are questions of mutual benefit [that] arise and there will be some additional costs associated with it -- not a great deal -- but what we are doing, I think, is ensuring, within the strict framework of the caveats placed on the passage of information by the United States, that a reasonable intelligence relationship is maintained. [end recording]

NEW ZEALAND

RADIO CITES SOLARZ ON TRADE SANCTIONS ISSUE

HK100346 Wellington Overseas Service in English 0000 GMT 10 Apr 85

[Text] United States Congressman Stephen Solarz, chairman of the Committee of Pacific Affairs, told Radio New Zealand news today that any bills limiting access to America for our beef, lamb, or casein were unlikely to succeed. Mr Solarz said economic sanctions against New Zealand would be both inappropriate and counterproductive. Earlier Mr Solarz was among those who consistently indicated that as New Zealand was no longer regarded as a close ally, it could no longer expect the same degree of support on trade matters. Casein sales were considered particularly vulnerable. Mr Solarz said however that America would have no option but to reshape ANZUS into a bilateral defense alliance with Australia if New Zealand continues to deny port access to the United States Navy.

The Ministry of Agriculture is expecting beef and veal exports to the United States to jump this year and to be worth more. The ministry says the latest stock count in the U.S. shows the lowest numbers of cows in calf since [word indistinct]. Demand for New Zealand manufacturing beef was relatively weak last year because of a big kill-off of domestic stock due to drought [words indistinct]. The ministry said the lack of competition this year should lead to better prices and higher demand.

REPORTAGE ON PRIME MINISTER THATCHER'S VISIT

Welcomed by Suharto

BK091020 Jakarta Domestic Service in Indonesian 1000 GMT 9 Apr 85

[Text] British Prime Minister Margaret Thatcher arrived in Jakarta at 1540 this afternoon [0840 GMT] for a 3-day official visit to Indonesia at the invitation of President Suharto. The state guest's arrival at Jakarta's Halim Perdanakusumah Airport was reported by Radio Republic of Indonesia correspondent (Mirta Kemala):

[Begin recording] Precisely at 1540 Western Indonesian Time, a (?British) Royal Air Force plane landed at Jakarta's Halim Perdanakusumah Airport carrying the state guests. The British prime minister was welcomed by the President and Mrs Suharto and the Vice President and Mrs Wirahadikusumah with a full military ceremony. Also present at the airport were cabinet ministers, high-ranking state officials, and chiefs of mission of friendly countries in Jakarta, as well as the British community in Indonesia. Mrs Thatcher is accompanied by her husband, Denis, and high-ranking state officials including three junior ministers and four secretaries. [end recording]

The President and Mrs Suharto will host a banquet in honor of the British leader and her entourage tonight.

Leaders Speak at Banquet

BK091542 Jakarta Domestic Service in Indonesian 1500 GMT 9 Apr 85

[Text] The President and Mrs Suharto hosted a banquet at the State Palace tonight in honor of British Prime Minister Mrs Margaret Thatcher, who is now on an official visit to Indonesia. Radio Republic of Indonesia correspondent Ahmad Muslih reports from the State Palace, Jakarta:

[Begin recording] The state banquet started with an exchange of gifts by the Indonesian and British heads of government. President Suharto presented Mrs Thatcher with a set of books on the 30th anniversary of Indonesia's independence, batik, a set of silver cutlery, and a Balinese painting. Meanwhile, the British state guest gave President Suharto two candleholders, plaques, and a photograph of Mr and Mrs Thatcher. In his speech, President Suharto said among other things that Indonesia attaches importance to the British prime minister's visit to Indonesia -- the first visit to Indonesia by a British prime minister. The president said that the British prime minister's current visit is taking place in an atmosphere in which the world is facing great problems and experiencing the serious consequences of continued economic crisis. According to the head of state, such crises stem mainly from the legacy of (?past) international relations. This being the case, the time has come for all nations and countries to establish a more just and equal new order in the economic political, and security fields.

Mrs Thatcher said in her speech that Britain wants to offer its cooperation and is really capable of doing so because Britain is currently a strong and confident country, leading the world in science and technology. [end recording]

Present at the state banquet were the Vice President and Mrs Umar Wirahadikusumah, a number of ministers of the fourth development cabinet, and members of the British entourage.

Hold Talks

BK100723 Jakarta Domestic Service in Indonesian 0700 GMT 10 Apr 85

[Text] The talks between President Suharto and British Prime Minister Margaret Thatcher at the Merdeka Palace in Jakarta this morning were held in a cordial manner and centered on several issues. Minister-State Secretary Sudharmono said this to newsmen after the talks, adding that Britain offered cooperation to Indonesia in the agricultural field, especially in [words indistinct] instead of cooperation in agricultural production because Indonesia has been successful enough in its production. In this connection, President Suharto stressed that the agricultural cooperation should not be concentrated on mechanization.

Minister Sudharmono said the two leaders also touched on international issues. President Suharto reiterated Indonesia's stance on the Cambodian issue, which is based on Indonesia's independent and active foreign policy. On world economic recession, Prime Minister Thatcher discussed factors hampering and (?disturbing) the implementation of free trade principles. After talks with President Suharto, Thatcher held talks with Indonesian economic ministers.

Press Comment on Visit

BK091547 Jakarta Domestic Service in Indonesian 0600 GMT 9 Apr 85

[From the press review]

[Text] SUARA KARYA believes that the visit of British Prime Minister Margaret Thatcher is of great significance in the light of Anglo-Indonesian relations. Bilateral trade relations have shown satisfactory growth, despite the fact that Indonesian exports to Britain can still be considered modest because of the obstacles that Indonesia must face in the form of import quotas and high import duties, especially for [word indistinct], plywood, and sawn timber. SUARA KARYA hopes Prime Minister Thatcher and President Suharto will discuss these obstacles in their talks and seek ways to remove them. Meanwhile, Britain's investments in Indonesia have also been growing steadily. It is hoped that the Indonesian Government's new monetary policy will further boost British investments in this country.

ANGKATAN BERSENJATA believes Prime Minister Thatcher [words indistinct] the British economy and hopes her visit to Indonesia will increase trade relations and cooperation in development projects that are beneficial to the two countries and peoples. As reported earlier, Mrs Thatcher said she is interested in the progress of Indonesian women, and she hopes her visit will encourage Indonesian (?women) to take a more active part in national development. In this connection, BERITA YUDHA writes in its editorial that until now Mrs Thatcher has known Indonesia only through reading. Her first visit to Indonesia will obviously improve her knowledge of what is actually happening in Indonesia and the aspirations of the Indonesian people, including those living in East Timor. In UN General Assembly sessions, Britain has always abstained on the East Timor issue. Therefore, this visit will enable her to obtain firsthand information on the issue, such conditions on East Timor during colonial times and the number of development projects that have been completed or are being implemented by the government.

KOMPAS says that, even though Mrs Thatcher has been dubbed the Iron Lady for her firm attitude in running the government, nobody can deny that she remains [word indistinct] in her appearance and speech. This can be clearly seen in her interview with [words indistinct] aired by Indonesian television last Sunday [7 April] night.

In her interview, she showed her interest in and support for the Southeast Asian nations. She believes that ASEAN is a very useful organization for promoting cooperation in South-east Asia and stabilizing the region. According to KOMPAS, economic cooperation in the form of opening each other's markets will be at the top of the agenda in her talks with President Suharto. There are no serious political issues hampering the two countries' relations.

MOKHTAR BRIEFS EDITORS ON BANDUNG COMMEMORATION

BK081416 Jakarta Domestic Service in Indonesian 1200 GMT 8 Apr 85

[Text] The foreign minister, Mokhtar Kusumaatmaja, says that the meeting to commemorate 30th anniversary of the Asian-African Conference on 24-25 April in Bandung will be a forum for Asian-African countries to express jointly that the outcome of the conference is still relevant to the present situation.

Minister Mokhtar said this to chief editors of the national press in Jakarta today. He was accompanied by Information Minister Harmoko. He said that what is being fought for by UNCTAD, the Group of 77, and the Nonaligned Movement can actually be traced to resolutions adopted to Bandung 30 years ago. According to Minister Mokhtar, the outcome of the Asian-African Conference in Bandung in 1955 is a hidden treasure, which, apart from containing political decisions known as the Declaration of the 10 Principles of Bandung, also covers economic, social, and cultural issues. In the struggle of Asian-African countries particularly, and the developing countries in general, the Bandung spirit is still required because the nature of their struggle today is the same as it was 30 years ago, although with different emphasis.

[Begin Mokhtar recording] The basic outline of the struggle now is the same as before, so that if the first Asian-African Conference was held to seek the independence of colonized Asian-African nations, the struggle was for political emancipation. Therefore, after the independence of the Asian-African countries, except Namibia, what is being sought now is economic emancipation, because political independence alone, without economic independence, will not be meaningful. Therefore the emphasis will be different. If we talk about political independence after we have gained independence, the British call it/flogging a dead horse/[words within slantlines in English]. However, we should wipe out all the heritage of colonialism, that is to say, backwardness, poverty, and ignorance. This can also be found in the Preamble of our Constitution. [end recording]

According to Minister Mokhtar, the commemoration of the 30th anniversary of the Asian-African Conference is becoming more significant because it coincides with the 40th founding anniversary of the Republic of Indonesia and the United Nations. In reply to a question, Minister Mokhtar says that the declaration to be issued at the meeting commemorating the 30th anniversary of the Asian-African Conference is being drafted by Indonesia, and it is hoped that it will receive the support of the delegates who attend through a process of consultation and consensus. To date, 70 nations and 4 independence movements have confirmed that they will attend the 30th anniversary commemoration of the Asian-African Conference, which includes the presence of 15 foreign ministers and 8 ministers. Eight other countries are making efforts to send their foreign ministers.

Foreign Minister Mokhtar Kusumaatmaja told a press conference today that the Indonesian Government condemns the recent killings in South Africa. The Indonesian Government thinks that violence will not solve the apartheid issue in South Africa.

PHILIPPINE ARMY CONVOY AMBUSHED BY NPA

HK091518 Hong Kong AFP in English 1513 GMT 9 Apr 85

[Text] Cagayan De Oro, Philippines, April 9 (AFP) -- Communist guerrillas ambushed an Army convoy today in the southern island of Mindanao, killing two ranking military officers, military authorities here said.

Lieutenant-Colonel Osito Bahian, commander of one of the 30 battalions currently deployed in the rebellion-torn island, and an Army captain identified only as Calig were killed with three other soldiers, while five others were wounded, they said. The New People's Army (NPA) guerrillas, estimated by the survivors at 50, fired upon the convoy while it passed an isolated stretch of road in a village in Tungao town, east of this northern Mindanao capital, authorities said.

Military sources here said Col. Bahian's party had just left the battalion command post in Tungao for an unscheduled inspection of the captain's troops deployed in the field, but that the guerrillas apparently anticipated the tour. The convoy consisted of military jeeps and an armored personnel carrier. The guerrillas, in an unusual maneuver, left the ambush site without searching the vehicles or seizing the slain troops' fire-arms, they added.

The NPA, military wing of the banned Communist Party of the Philippines, has been stepping up its attacks against government and military targets in recent months. The focus of the 16-year rebellion is Mindanao, the country's second largest island.

DEMONSTRATORS, ARMY OFFICERS HOLD TALKS

HK100319 Manila METRO MANILA TIMES in English 9 Apr 85 pp 1, 5

[By Arnold Atadero]

[Text] Leaders of militant groups from Central Luzon and AFP [Armed Forces of the Philippines] officers based at Camp Olivas, Pampanga, yesterday agreed to help each other in unravelling the mystery behind the killing of exactly 120 government operatives and civilians in certain towns of Central Luzon.

This developed during a multi-sectoral dialogue at Camp Olivas, the new home of the AFP Regional Unified Command (RUC) 3 and the PC-INP [Philippine Constabulary-Integrated National Police] Region 3 command, yesterday afternoon.

A military panel headed by Brig. Gen. Jose P. Magno, RUC 3 commander, and Col. Lorenzo Rapanar, PC-INP Region chief, sat down with leaders of demonstrators from Bulacan, Nueva Ecija, Tarlac and Zambales for a dialogue for the first time yesterday. The demonstrators, numbering some 1,500 linked up in front of Camp Olivas, San Fernando where their leaders later met with military leaders.

The main issue raised by the demonstrators was the alleged "military buildup" in Central Luzon which local military leaders labelled as an old issue against the military. The demonstrators, majority of whom were teenagers, claimed in their manifesto that there were now eight regular battalions of soldiers assigned in Central Luzon alone. They charged that each province in the region had three companies of PC-INP operatives. They added that in Bataan and Nueva Ecija there was one infantry battalion of army soldiers each.

In addition to these battalions, they said the military had also deployed the army's Special Warfare Brigade (SWB) and Long Range Patrols in Nueva Ecija; the Cabanatuan Nueva Ecija Command (Cabnec), two strike battalions at Camp Olivas, a training battalion in Tarlac and a security battalion in the two U.S. military bases.

The militant groups presented to Camp Olivas authorities a list of 84 civilians whom they claimed had died under mysterious circumstances within a 12-month period from January 1984 to January 1985. The demonstrators said they wanted to know how the 84 civilians were killed, and who their killers were. For its part, the military panel sought the help of the demonstrators in finding the killers of 36 AFP soldiers, policemen and militiamen.

Magno said 24 of the 36 operatives were gunned down in the line of duty in the area covered by the Angeles Metropolitan District Command (Metrodiscom). The area includes Mabalacat, Porac, Magalang and Angeles City. Local military officers said they suspected that members of the New People's Army (NPA) sparrow unit (death squad) had a direct hand in the killing of the operatives. It was noted that the NPAs had intensified their "agawarmas" (arms-snatching) activities in certain urban areas, zeroing in on traffic policemen and other government operatives.

Magno told defense reporters who covered the demonstration that the militant groups were not really against the military organization. The leaders' purpose in holding the "congress of the streets" was "to prevent the civilians from falling into the hands of the NPA as a result of the continuing, military buildup." Magno promised to act immediately on all the complaints raised by demonstrators against the soldiers. However, he told them to document their complaints so that the erring soldiers could be punished.

Among those who attended the dialogue on the civilian side were Jose Suarez, former Con-Con [constitutional convention -- held in 1970's before martial law] delegate; Dr. Jose Pelayo of Pampanga, Jose Feliciano of Tarlac, Rafael Suntay of Bulacan and Sisters Aleli Jose, of the task force detainees, Sister Cecille Ido, Sister Celine Saplada and a Fiscal Tombo of Nueva Ecija.

WORLD BANK, ADB CONSIDER LOANS TO GOVERNMENT

HK091600 Manila BULLETIN TODAY in English 9 Apr 85 Business Bulletin Supplement p 15

[Excerpts] The World Bank [WB] and the Asian Development Bank [ADB] after reviewing the financial requirements of the Philippines and the investment program that is to be carried out during the period of adjustment, have earmarked \$400 million and \$300 million, respectively, for lending to the country in the current year.

Informed sources said that the two financing institutions will provide the bulk of the \$1.2 billion in official development assistance required by the country in 1985 as spelled out in the financial package negotiated with foreign creditors. The rest are expected to be provided by the United States and Japanese governments and other donor countries.

In the case of the ADB, its proposed lending program to the Philippines will shift from new investments to providing financial assistance for on-going projects, program lending for priority foreign exchange requirements and to the rehabilitation for existing facilities.

In the case of the WB, its lending commitments to the Philippines in the current year will be directed towards coconut rehabilitation, geothermal development and water supply improvement.

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